



CVR no. 30 27 65 82

Pilestræde 58  
1112 Copenhagen K  
Denmark

Annual report for the year ended 31 December 2017

Approved at the annual general meeting of shareholders.

Date: 22/5 - 2018

Chairman's signature:

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'K' followed by a horizontal line.

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Trustpilot A/S for the financial year 1 January - 31 December 2017.

The annual report is prepared in accordance with the Danish Financial Statements Act.

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 Company at 31 December 2017 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 3 May 2018  
Executive Board:

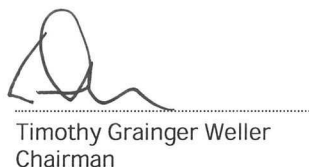


Peter Holten Mühlmann  
CEO



Kasper Asbjørn Heine

Board of Directors:



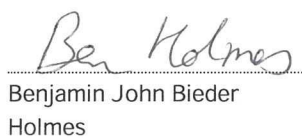
Timothy Grainger Weller  
Chairman



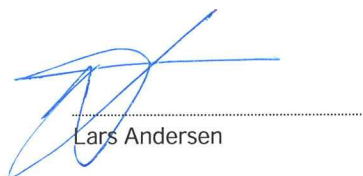
Simon Christopher Cook



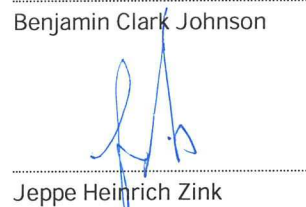
Benjamin Clark Johnson



Benjamin John Bieder  
Holmes



Lars Andersen



Jeppe Heinrich Zink

## Independent auditor's report

To the shareholders of Trustpilot A/S

### Opinion

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 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 2017, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

### 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "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 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 rules and requirements.

### 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 Parent 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 Parent 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 as to 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 the financial statements.

## Independent auditor's report

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 Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ 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 Parent 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 Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note 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.



## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 3 May 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Claus Hammer-Pedersen  
State Authorised Public Accountant  
MNE no.: mne21334



Kim R. Mortensen  
State Authorised Public Accountant  
MNE no.: mne18513

## Management's review

### Company details

Name	Trustpilot A/S
Address, Postal code, City	Pilestræde 58, 5, 1112 København K
CVR no.	30 27 65 82
Established	12 February 2007
Registered office	København
Financial year	1 January - 31 December
Website	<a href="http://www.trustpilot.com">www.trustpilot.com</a>
E-mail	<a href="mailto:info@trustpilot.com">info@trustpilot.com</a>
Telephone	+45 88 77 76 00
Board of Directors	Timothy Grainger Weller, Chairman Simon Christopher Cook Benjamin Clark Johnson Benjamin John Bieder Holmes Lars Andersen Jeppe Heinrich Zink
Executive Board	Peter Holten Mühlmann, CEO Kasper Asbjørn Heine
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

## Management's review

### Financial highlights for the Group

DKK'000	2017	2016	2015	2014	2013
<b>Key figures</b>					
Revenue	317,266	241,624	180,224	118,473	65,915
Operating profit/loss	-159,139	-183,586	-180,485	-111,893	-48,960
Net financials	-15,111	-1,265	-5,437	13,519	-3,385
Profit/loss for the year	-168,337	-179,635	-180,435	-92,124	-49,845
<b>Total assets</b>					
Equity	188,599	302,768	477,598	127,762	190,365
	46,203	196,773	380,320	53,867	150,716
<b>Cash flows</b>					
Cash flows from operating activities	-56,966	-87,183	-140,585	-72,486	-35,962
Net cash flows from investing activities	-69,396	-84,467	-23,210	-10,400	-5,295
Investment in property, plant and equipment	-2,484	-4,282	0	-4,261	-787
Cash flows from financing activities	13,650	0	499,036	-1,356	134,449
Total cash flows	-112,712	-171,650	335,241	-84,242	93,192
<b>Financial ratios</b>					
Solvency ratio	24.5%	65.0%	79.6%	42.2%	79.2%
<b>Average number of employees</b>					
	509	483	404	230	162

Financial ratios are calculated as follows:

Solvency ratio:  $(\text{Equity, year-end} \times 100) / \text{Total asset, year-end}$



## Management's review

### Business review

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 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).

### 2017 Highlights

2017 was a year of many firsts at Trustpilot and certainly one for the record books. It saw Trustpilot reach and exceed the 38-million reviews mark – the largest increase in reviews collected in a year to date. Monthly TrustBox impressions reached two billion for the first time and continue to break records, while continued focus on the consumer and business site resulted in a marked uptick in organic reviews and customer sign-ups.

Trustpilot.com also became one of the top 100 websites in the U.K. according to Alexa traffic rankings. More than 200,000 businesses now have a TrustScore and over one million new reviews are written each month.

A company-wide bonus plan was implemented in 2017 giving all employees the opportunity to share in Trustpilot's success. Specific goals for Reach, Revenue, Trust and Cost were outlined and each bonus goal was exceeded in 2017.

The collective focus on these four measures led to record-breaking results. Trustpilot surpassed the \$50 million in annual recurring revenue mark (Revenue), reached over 50,000 domains with more than 10 reviews (Reach), maintained an average 4-star rating on Trustpilot (Trust), and stayed under the budget set for 2017 (Cost).

With customers in 70 countries, Trustpilot continues to focus its operations on Europe, the U.S. and Australia. Total Revenue grew by DKK 75.6 Million in 2017 compared to a growth of DKK 61.4 Million in 2016.

To further strengthen Trustpilot's top management team, David Ferguson was appointed as Chief Operating Officer in May 2017. He brings specific experience in scaling technology firms operating in high growth markets, which is critical to Trustpilot realising its ambitious growth plans.

2017 was also a record year for product development. Trustpilot opened an office in Vilnius, Lithuania, which is home to a new, highly skilled software engineering team focused on advancing Trustpilot's current products as well as its work with big data analytics and application systems. The new team combined with other improvements will continue to help Trustpilot significantly accelerate and improve its product delivery, creating distinct advantages for current and potential customers.

The opening of the Vilnius office also saw Trustpilot expand its Quality & Compliance Team (Q&C), bringing the Trust & Transparency Unit to more than 50. The 11 new Q&C hires, including three enforcement agents, have been instrumental in helping with efficiency and handling the increasing volume of tickets across markets as Trustpilot grows.

## Management's review

### Financial review

In the financial year 2017, Trustpilot saw a 31.3 % increase in revenue, with revenue totaling DKK 317.3 million, compared to a total revenue of DKK 241.6 million last year. The income statement for 2017 shows a loss of DKK 168.3 million compared to a loss of DKK 179.6 million in 2016. The balance sheet on 31 December 2017 shows equity of DKK 46.2 million versus equity of DKK 196.8 million on 31 December 2016.

These results are in line with the expansion plan, which has been approved by Trustpilot's Board of Directors.

In September 2017, Trustpilot secured \$20 million in new bank credit financing from Silicon Valley Bank (SVB), bringing Trustpilot's total funding to \$138 million. The additional funding will support continued technology and product innovation in data-driven customer insights, analytics and automation; and the acceleration of Trustpilot's already strong growth in the U.S., Europe and Australia.

### Knowledge resources

Management has concluded that Trustpilot has been assessed not to have any special knowledge resources, apart from the normal knowledge resources in the line of business

### Special 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.

### Impact on the external environment

Trustpilot products comply with all environmental regulations.

### 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.

### Statutory CSR report

At Trustpilot, we acknowledge our responsibility for contributing to sustainable development, and we see a natural correlation between acting responsibly and increasing the company's profit and future growth. While we don't currently have dedicated policies on climate and environment, we are committed to limiting our carbon footprint as much as possible and providing a safe, inclusive and supportive work environment for all of our employees. Our Anti-Bribery policy as well as our Non-Discrimination and Anti-harassment policy are integrated parts of all Trustpilot employment agreements and discrimination against or harassment of other employees or applicants for employment is not tolerated.

Furthermore, 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.

With these policies in place and the commitment to do more in years to come, Trustpilot is confident that we comply with regulations on human rights, climate and social and employee matters.

## Management's review

### Account of the gender composition of Management

The board of Trustpilot has decided 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, candidates are selected based on an overall assessment of who is best suited for the role and achieving our strategic and economic objectives.

Trustpilot's employees represent more than 40 nationalities and the global gender distribution is 41% female and 59% male. This is the result of a dedicated company strategy to ensure a diverse and inclusive work environment. Trustpilot's Code of Ethics also states that employment opportunities, assignments and promotions will be offered on the basis of merit regardless of race, gender, colour, creed, religion, age, marital status, ethnicity, veteran or military status, pregnancy, genetic information, sexual orientation or national origin and with sensitivity to the needs and concerns of minorities and the disabled.

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. As Trustpilot is currently undergoing a larger management reorganisation, we're increasing our focus on recruiting and interviewing female candidates for as many management roles as possible. Trustpilot's efforts to ensure a diverse workplace are also reflected in initiatives like hosting "Women in Tech" networking events.

The gender distribution throughout the company has been stable at around 61% male and 39% female for the past 4 years.

Targets for the under-represented gender at top management levels (Directors and Board of directors)

Regarding the underrepresented gender, the objective is to have at least one member of the Board of Directors and one member of top management level during the next forthcoming 4 years (2018-2021).

The objective of having at least one female at the top management level before the end of 2017 has not been achieved due to Trustpilot being a young company in a transition phase, but it remains an objective to ensure that the number of female board members is at least 1 over the next four-year period. At present, there are 8 members at the top management level (directors and board of directors) and no female members.

Targets for the under-represented gender at other management levels

As of 31 December 2017, the senior management level consists of 12 members, 91% male and 8% female. In the management layers below the senior management level, we have an additional 75 managers, of which 28 are women, corresponding to 33% of the total management (including senior management level) thereby fulfilling the overall company ambition of balanced composition of genders at the leadership level.

Events after the balance sheet date

No significant events have occurred subsequent to the financial year, which materially have affected the financial position of the Company.

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 revenue for 2018 is expected to be around DKK 390 million and the financial result is expected show a loss in the same level as 2017.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
2	Revenue	317,266	241,624	234,903	179,885
11	Production costs	-74,386	-74,713	-67,442	-67,652
	Gross margin	242,880	166,911	167,461	112,233
11	Distribution costs	-300,315	-270,731	-202,067	-168,159
11	Administrative expenses	-101,704	-79,766	-105,227	-82,907
	Operating profit/loss	-159,139	-183,586	-139,833	-138,833
	Other operating income	935	0	46,924	36,825
	Profit/loss before net financials	-158,204	-183,586	-92,909	-102,008
	Income from group entities	0	0	-73,374	-85,973
3	Financial income	5,549	37,872	11,012	40,624
4	Financial expenses	-20,660	-39,137	-18,566	-37,778
	Profit/loss before tax	-173,315	-184,851	-173,837	-185,135
5	Tax for the year	4,978	5,216	5,500	5,500
	Profit/loss for the year	-168,337	-179,635	-168,337	-179,635

Consolidated financial statements and parent company financial statements 1 January -  
31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
	ASSETS				
	Fixed assets				
6	Intangible assets				
	Completed development projects	0	0	0	0
	Acquired intangible assets	17,244	22,101	16,215	21,715
		<u>17,244</u>	<u>22,101</u>	<u>16,215</u>	<u>21,715</u>
7	Property, plant and equipment				
	Other fixtures and fittings, tools and equipment	2,215	3,395	686	1,281
	Leasehold improvements	2,243	2,816	182	505
		<u>4,458</u>	<u>6,211</u>	<u>868</u>	<u>1,786</u>
8	Investments				
	Investments in group entities, net asset value	0	0	2,096	1,769
	Receivables from group entities	0	0	0	0
	Other receivables	4,762	4,682	1,448	1,061
		<u>4,762</u>	<u>4,682</u>	<u>3,544</u>	<u>2,830</u>
	Total fixed assets	<u>26,464</u>	<u>32,994</u>	<u>20,627</u>	<u>26,331</u>
	Non-fixed assets				
	Receivables				
	Trade receivables	8,071	4,745	5,306	2,627
	Receivables from group entities	0	0	4,626	7,825
	Income taxes receivable	5,500	5,500	5,500	5,500
	Other receivables	2,140	3,735	695	397
9	Prepayments	7,983	4,641	4,730	2,808
		<u>23,694</u>	<u>18,621</u>	<u>20,857</u>	<u>19,157</u>
	Cash	<u>138,441</u>	<u>251,153</u>	<u>118,798</u>	<u>232,180</u>
	Total non-fixed assets	<u>162,135</u>	<u>269,774</u>	<u>139,655</u>	<u>251,337</u>
	<b>TOTAL ASSETS</b>	<u><u>188,599</u></u>	<u><u>302,768</u></u>	<u><u>160,282</u></u>	<u><u>277,668</u></u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
		EQUITY AND LIABILITIES			
		Equity			
10	Share capital	4,079	3,726	4,079	3,726
	Retained earnings	42,124	193,047	42,124	193,047
	Total equity	<u>46,203</u>	<u>196,773</u>	<u>46,203</u>	<u>196,773</u>
	Provisions				
	Deferred tax	121	0	0	0
8	Provision, investments in group entities	0	0	5,008	0
	Total provisions	<u>121</u>	<u>0</u>	<u>5,008</u>	<u>0</u>
	Liabilities other than provisions				
	Non-current liabilities other than provisions				
	Other payables	2,653	6,488	2,343	6,488
		<u>2,653</u>	<u>6,488</u>	<u>2,343</u>	<u>6,488</u>
	Current liabilities other than provisions				
	Current portion of long-term liabilities				
	Trade payables	11,981	8,690	11,981	8,690
	Income taxes payable	5,333	5,994	4,361	4,907
	Other payables	234	175	0	0
	Deferred income	52,972	31,638	38,935	24,647
		69,102	53,010	51,451	36,163
		<u>139,622</u>	<u>99,507</u>	<u>106,728</u>	<u>74,407</u>
	Total liabilities other than provisions	<u>142,275</u>	<u>105,995</u>	<u>109,071</u>	<u>80,895</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>188,599</u>	<u>302,768</u>	<u>160,282</u>	<u>277,668</u>

- 1 Accounting policies
- 12 Contractual obligations and contingencies, etc.
- 13 Contingent assets
- 14 Collateral
- 15 Related parties
- 16 Fee to the auditors appointed by the Company in general meeting

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group		
DKK'000		Share capital	Retained earnings	Total
	Equity at 1 January 2016	3,726	376,594	380,320
	Transfer through appropriation of loss	0	-179,635	-179,635
	Exchange adjustment	0	-3,912	-3,912
	Equity at 1 January 2017	3,726	193,047	196,773
	Capital increase	353	13,297	13,650
	Transfer through appropriation of loss	0	-168,337	-168,337
	Exchange adjustment	0	4,117	4,117
	Equity at 31 December 2017	4,079	42,124	46,203

		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2016	3,726	376,594	380,320
17	Transfer, see "Appropriation of profit/loss"	0	-179,635	-179,635
	Exchange adjustment	0	-3,912	-3,912
	Equity at 1 January 2017	3,726	193,047	196,773
	Capital increase	353	13,297	13,650
17	Transfer, see "Appropriation of profit/loss"	0	-168,337	-168,337
	Exchange adjustment	0	4,117	4,117
	Equity at 31 December 2017	4,079	42,124	46,203

Consolidated financial statements and parent company financial statements 1 January -  
31 December

Cash flow statement

Note	DKK'000	Group	
		2017	2016
	Profit/loss for the year	-168,337	-179,635
	Cash generated from operations (operating activities)	-168,337	-179,635
	Other cash flows from operating activities	111,371	92,452
	Cash flows from operating activities	-56,966	-87,183
	Additions of intangible assets	-66,714	-77,503
	Additions of property, plant and equipment	-2,484	-4,282
	Other cash flows from investing activities	-198	-2,682
	Cash flows to investing activities	-69,396	-84,467
	Cash capital increase	13,650	0
	Cash flows from financing activities	13,650	0
	Net cash flow	-112,712	-171,650
	Cash and cash equivalents at 1 January	251,153	422,803
	Cash and cash equivalents at 31 December	138,441	251,153



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Trustpilot A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner.

#### Consolidated financial statements

##### *Preparation of consolidated financial statements*

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at average exchange rates for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

#### Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Groups aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Revenue

Income from the sale of subscriptions is recognised in the income statement over the period of subscription provided that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

###### Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of staff, rent and leases, as well as depreciations.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

###### Distribution costs

Distribution expenses include expenses relating to sale and distribution in the year, including expenses relating to sales staff, advertising, exhibitions and depreciation of assets that are related to sale and distribution of the company's products.

###### Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the company, including expenses relating to administrative staff, management, office premises/expenses as well as depreciation of assets used for administrative purposes.

###### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets. In the parent company other operating income includes management and administration fees.

###### Income from investments in subsidiaries and associates

The item includes the Company's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses.

###### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

###### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Intangible assets includes it-platform, development projects and other acquired intangible rights, including software licences.

It-platform, 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.

Development 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 usually three years. The assets are written down if impaired.

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 usually one to three years.

##### Property, plant and equipment

Items of 'other fixtures and fittings, tools and equipment' and 'leasehold improvements' are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Depreciation is provided on a straight-line basis over the expected useful life of the assets. The expected useful life is 3-5 years.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are three years.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Investments in subsidiaries and associates

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost. Provisions are made for bad debts on the basis of objective evidence that a receivable are impaired, based on individual assessments. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprises cash balances and bank balances.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

###### *Reserve for net revaluation according to the equity method*

Net revaluation of investment in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with purchase and sale of fixed assets.

Cash flows from financing activities comprise, capital increases and reductions and purchase/sale of treasury shares.

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

##### Segment information

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

Consolidated financial statements and parent company financial statements 1 January -  
31 December

Notes to the financial statements

DKK'000	Group		Parent company	
	2017	2016	2017	2016
2	Segment information			
	197,499	154,828	197,238	153,477
Europe	119,767	86,796	37,665	26,408
Rest of world	<u>317,266</u>	<u>241,624</u>	<u>234,903</u>	<u>179,885</u>
3	Financial income			
Interest receivable, group entities	0	0	5,478	3,234
Exchange adjustments	5,445	36,866	5,438	36,384
Other financial income	104	1,006	96	1,006
	<u>5,549</u>	<u>37,872</u>	<u>11,012</u>	<u>40,624</u>
4	Financial expenses			
Exchange adjustments	16,932	37,168	16,863	36,792
Other financial expenses	3,728	1,969	1,703	986
	<u>20,660</u>	<u>39,137</u>	<u>18,566</u>	<u>37,778</u>
5	Tax for the year			
Estimated tax charge for the year	-4,978	-5,216	-5,500	-5,500
	<u>-4,978</u>	<u>-5,216</u>	<u>-5,500</u>	<u>-5,500</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

6 Intangible assets

DKK'000	Group		
	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2017	51,291	40,929	92,220
Exchange adjustment	0	-227	-227
Additions in the year	43,373	23,342	66,715
Disposals in the year	0	-16,003	-16,003
Cost at 31 December 2017	94,664	48,041	142,705
Impairment losses and amortisation at 1 January 2017	51,291	18,828	70,119
Exchange adjustment	0	-149	-149
Impairment losses in the year	37,106	0	37,106
Amortisation/depreciation in the year	6,267	28,121	34,388
Amortisation/depreciation and impairment of disposals in the year	0	-16,003	-16,003
Impairment losses and amortisation at 31 December 2017	94,664	30,797	125,461
Carrying amount at 31 December 2017	0	17,244	17,244

DKK'000	Parent company		
	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2017	51,291	39,717	91,008
Additions in the year	43,373	21,432	64,805
Disposals in the year	0	-16,003	-16,003
Cost at 31 December 2017	94,664	45,146	139,810
Impairment losses and amortisation at 1 January 2017	51,291	18,002	69,293
Impairment losses in the year	37,106	0	37,106
Amortisation/depreciation in the year	6,267	26,932	33,199
Amortisation/depreciation and impairment of disposals in the year	0	-16,003	-16,003
Impairment losses and amortisation at 31 December 2017	94,664	28,931	123,595
Carrying amount at 31 December 2017	0	16,215	16,215



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK'000	Group		
	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	6,780	5,070	11,850
Exchange adjustment	-346	-283	-629
Additions in the year	1,187	1,297	2,484
Disposals in the year	0	-188	-188
Cost at 31 December 2017	7,621	5,896	13,517
Impairment losses and depreciation at 1 January 2017	3,385	2,254	5,639
Exchange adjustment	-207	-139	-346
Amortisation/depreciation in the year	2,228	1,721	3,949
Reversal of amortisation/depreciation and impairment of disposals	0	-183	-183
Impairment losses and depreciation at 31 December 2017	5,406	3,653	9,059
Carrying amount at 31 December 2017	2,215	2,243	4,458

DKK'000	Parent company		
	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	3,029	1,556	4,585
Additions in the year	400	156	556
Disposals in the year	0	-188	-188
Cost at 31 December 2017	3,429	1,524	4,953
Impairment losses and depreciation at 1 January 2017	1,748	1,051	2,799
Amortisation/depreciation in the year	995	474	1,469
Reversal of amortisation/depreciation and impairment of disposals	0	-183	-183
Impairment losses and depreciation at 31 December 2017	2,743	1,342	4,085
Carrying amount at 31 December 2017	686	182	868

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Notes to the financial statements

8 Investments

	Group
	Other receivables
DKK'000	
Cost at 1 January 2017	4,682
Exchange adjustment	-118
Additions in the year	466
Disposals in the year	-268
Cost at 31 December 2017	4,762
Exchange adjustment	0
Share of the profit/loss for the year and other adjustments	0
Other adjustments, investments	0
Value adjustments at 31 December 2017	0
Carrying amount at 31 December 2017	4,762

	Parent company			
	Investments in group entities, net asset value	Receivables from group entities	Other receivables	Total
DKK'000				
Cost at 1 January 2017	123,725	0	1,061	124,786
Additions in the year	0	149,536	387	149,923
Cost at 31 December 2017	123,725	149,536	1,448	274,709
Value adjustments at 1 January 2017	-121,956	0	0	-121,956
Exchange adjustment	13,161	-9,044	0	4,117
Share of the profit/loss for the year and other adjustments	-73,374	0	0	-73,374
Other adjustments, investments	60,540	-140,492	0	-79,952
Value adjustments at 31 December 2017	-121,629	-149,536	0	-271,165
Carrying amount at 31 December 2017	2,096	0	1,448	3,544

Parent company

Name	Interest
Subsidiaries	
Trustpilot Inc., USA	100.00%
Trustpilot Ltd., UK	100.00%
Trustpilot GmbH, DE	100.00%
Trpilot PTY Limited, AU	100.00%
Trustpilot AUB, LT	100.00%

9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Parent company	
	2017	2016
10 Share capital		
Analysis of the share capital:		
719,739 Common shares of DKK 1.00 nominal value each	720	368
1,121,546 A shares of DKK 1.00 nominal value each	1,122	1,121
670,752 B shares of DKK 1.00 nominal value each	671	671
514,461 C shares of DKK 1.00 nominal value each	514	514
1,052,307 D shares of DKK 1.00 nominal value each	1,052	1,052
	<u>4,079</u>	<u>3,726</u>

Trustpilot A/S has a portfolio of common shares at a nominal value of DKK 18 thousand and A shares at a nominal value of DKK 12 thousand.

Analysis of changes in the share capital over the past 5 years:

DKK'000	2017	2016	2015	2014	2013
Opening balance	3,726	3,726	2,159	1,488	933
Capital increase	353	0	2,159	1,488	933
Capital reduction	0	0	515	671	555
	<u>4,079</u>	<u>3,726</u>	<u>4,833</u>	<u>3,647</u>	<u>2,421</u>

In the beginning of 2018 warrants have been exercised and the share capital increased by 34,627 shares and the equity increased by DKK 2,320 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group		Parent company	
	2017	2016	2017	2016
11 Staff costs and incentive programmes				
Wages/salaries	317,431	283,999	162,752	145,375
Pensions	1,120	1,072	604	584
Other social security costs	18,924	17,772	1,055	1,388
	<u>337,475</u>	<u>302,843</u>	<u>164,411</u>	<u>147,347</u>
Average number of full-time employees	<u>509</u>	<u>483</u>	<u>266</u>	<u>257</u>

Group

See parent company regarding warrants.

Bonusses from the Company Bonus Program amounts to a total of DKK 20,887 thousand.

Parent company

Total remuneration to management is DKK 4,040 thousand (2016: DKK 4,153 thousand).

Total remuneration to Board of Directors is DKK 331 thousand (2016: DKK 360 thousand).

Incentive programmes

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 519,348 (2016: 738,027). The options are exercisable at an exercise price of DKK 19.83 - 173.53

Bonusses from the Company Bonus Program amounts to a total of DKK 11,672 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

12 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease liabilities vis-à-vis the parent company and its other subsidiaries:

DKK'000	Group		Parent company	
	2017	2016	2017	2016
Rent and lease liabilities	52,919	46,757	6,016	3,841

Group

The Trustpilot Group leases premises and other fixtures under cancellable operating leases. Future minimum lease payments are specified as follows:

0-1 year: DKK 20,536 thousand (2016: DKK 20,518 thousand)

1-5 year: DKK 32,383 thousand (2016: 26,239 thousand)

> 5 year: DKK 0 thousand (2016: 0 thousand)

Parent company

Trustpilot A/S leases premises and other fixtures under cancellable operating leases. Future minimum lease payments are specified as follows:

0-1 year: DKK 3,371 thousand (2016: DKK 3,305 thousand)

1-5 year: DKK 2,645 thousand (2016: 536 thousand)

> 5 year: DKK 0 thousand (2016: 0 thousand)

13 Contingent assets

Tax assets:

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Collateral

Group

For the group's leasehold, an account amounting DKK 5,1 Million (2016: DKK 5,7 Million) has been provided as security.

15 Related parties

Parent company

Transactions with related parties

The Parent company has carried out the following related party transactions in the financial year:

Related party	Amount	Description of transaction
	DKK'000	
Subsidiary	18,759	Royalty
Parent company	135,179	Service fees
Subsidiaries	46,924	Service fees
Subsidiaries	5,478	Interests

Information about remuneration to Management

Information about remuneration to Management appears from note 11, "Staff costs and incentive programmes".

16 Fee to the auditors appointed by the Company in general meeting

Total fees to EY on group level	642	511
Statutory audit	330	320
Tax assistance	35	116
Other assistance	277	75
	642	511

Parent company

DKK'000	2017	2016
17 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-168,337	-179,635
	-168,337	-179,635