

# Sitecore International A/S

Vester Farimagsgade 3, 5., 1606 Copenhagen V

CVR no. 31 57 98 80

## Annual Report 2023/2024

Approved at the Company's annual general meeting on 18 December 2024  
Chair of the meeting:

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Victoria Forsberg

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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 Sitecore International A/S for the financial year 1 July 2023 - 30 June 2024.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024.

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

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

Copenhagen, 18 December 2024

Executive Board:

Derek Alwright  
Managing Director

Board of Directors:

Michael Edward Bannon

Derek Alwright

Darren Paul Bruton

## **Independent auditor's report**

### **To the shareholder of Sitecore International A/S**

#### **Opinion**

We have audited the financial statements of Sitecore International A/S for the financial year 1 July 2023 - 30 June 2024, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 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 financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 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 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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 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 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 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.

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.

### **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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 18 December 2024

KPMG P/S

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Martin Eiler

State Authorised Public Accountant

mne32271

## Management's review

### Company details

Name	Sitecore International A/S
Address, Postal code, City	Vester Farimagsgade 3, 5., 1606 Copenhagen V
CVR no.	31 57 98 80
Established	24 June 2008
Registered office	Copenhagen
Financial year	1 July 2023 - 30 June 2024
Website	<a href="http://www.sitecore.net">www.sitecore.net</a>
Telephone	+45 70 23 66 60
Board of Directors	Michael Edward Bannon Derek Alwright Darren Paul Bruton
Executive Board	Derek Alwright , Managing Director
Auditors	KPMG P/S Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 Copenhagen Ø

**Management's review****Financial highlights**

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
<b>Key figures</b>					
Revenue	163,646	130,322	141,197	113,507	88,894
Gross profit	6,022	4,267	10,670	8,196	8,016
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	3,256	1,194	4,236	3,455	3,619
Net financials	2,343	-3,303	6,590	-5,695	1,082
<b>Profit/loss for the year</b>	<b>4,708</b>	<b>-2,197</b>	<b>8,264</b>	<b>-3,036</b>	<b>3,404</b>
<b>Balance sheet</b>					
Non-current assets	14,882	2,286	3,671	2,994	12,184
Current assets	67,449	112,978	72,287	50,219	38,561
<b>Total assets</b>	<b>82,331</b>	<b>115,265</b>	<b>75,958</b>	<b>53,213</b>	<b>50,745</b>
Share capital	500	500	500	500	500
<b>Equity</b>	<b>18,727</b>	<b>14,026</b>	<b>16,229</b>	<b>7,961</b>	<b>10,988</b>
Non-current liabilities	1,047	2,058	5,898	4,419	5,818
Current liabilities	62,557	99,180	53,831	40,833	33,939
<b>Financial ratios</b>					
Gross margin	3.7%	3.3%	7.6%	7.2%	9.0%
EBITDA-margin	2.0%	0.9%	3.0%	3.0%	4.1%
Return on equity	28.7%	-14.5%	68.3%	-32.0%	31.0%
<b>Average number of full-time employees</b>					
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

For terms and definitions, please see the accounting policies.

## Management's review

### Business review

The Sitecore Group (the "Group") is a software company that predominantly provides customers with Web Content Management (WCM) services. Sitecore International A/S ("Sitecore" or "the Company") primary operations consisted of the sale of Sitecore's CMS-systems in markets where the Sitecore Group has not established any sales subsidiaries, as well as developing new markets.

The Company has entered into distribution agreements with an affiliate for the sale of the Group's software to third party customers.

### Financial review

The income statement for fiscal year 2024 shows a profit of DKK'000 4,708 (loss of DKK 2,197 in fiscal year 2023). A breakdown of the drivers of the change and positive deviation compared to expectation for the year from a net loss to net profit are as follows:

- Revenue increased by DKK'000 33,324 and 26% in fiscal year 2024 mainly driven by 3rd party revenue increase. Cloud revenue contributed DKK'000 28,133 of the increase, which is in line with the Company's strategic transition to Cloud sales.
- Cost of sales (COGS) increased by DKK'000 31,569 and 25% in fiscal year 2024 mainly due to the increase of transfer pricing costs, which are calculated based on the operating profit generated by the Company (COGS in 2023/24 DKK'000 157,624 and in 2022/23 DKK'000 126,055, respectively).
- The profit before financials and tax is DKK'000 3,256 in fiscal year 2024 and DKK'000 1,194 in fiscal year 2023, the increase of DKK'000 2,062 and 173% is primarily due to the above analysis;
- Net financial cost decreased DKK'000 5,646 due to an exchange gain of DKK'000 2,271 being recognised in 2023/24, as compared to an exchange loss of DKK'000 2,806 in 2022/23.

The Company operates under a service agreement with Sitecore Ireland Ltd which influences the company's financial performance.

At the balance sheet date, 30 June 2024, the Company shows equity of DKK'000 18,727 (DKK'000 14,026 in fiscal year 2023).

Management considers the Company's financial performance in the year satisfactory.

The company has received a letter of support, including subordination of intercompany debt, from the parent company Sitecore Holding II A/S. Management assess no risks regarding the Company's going concern ability.

### Financial risks

Sitecore International is subject to financial uncertainty and risks driven by external factors such as interest rate, foreign exchange, credit risk and liquidity risk. Those risks are managed at a Group level and as follow:

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Financial risks of the Company are managed centrally. The overall risk management guidelines and policies have been approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The CFO manages contracts and risk exposures and reports to the board of directors on a regular basis.

### Events after the balance sheet date

There are no other significant events after the balance sheet date affecting the Company.

## Management's review

### Outlook

Sitecore's ambition is to generate long-term and recurring annual revenue growth, and to gradually improve our operating profit.

Long-term revenue growth will be driven by (1) attracting new customers due to both the expanded and composable product line, which now provides multiple entry points for customers to purchase Sitecore products, (2) increasing add-on sales to existing customers, thus increasing the ARR per customer, and (3) increasing ARR as customers shift from subscription to SaaS products.

The directors of Sitecore International A/S expects profits to be in line with financial year 2023/24.

**Financial statements 1 July 2023 - 30 June 2024****Income statement**

Note	DKK'000	2023/24	2022/23
	Revenue	163,646	130,322
	Cost of sales	-157,624	-126,055
	<b>Gross Profit</b>	<b>6,022</b>	<b>4,267</b>
	Other external costs	-2,766	-3,073
	<b>Profit before net financials</b>	<b>3,256</b>	<b>1,194</b>
4	Financial income	2,347	1,176
5	Financial expenses	-4	-4,479
	<b>Profit/(Loss) before tax</b>	<b>5,599</b>	<b>-2,109</b>
6	Tax for the year	-891	-88
7	<b>Profit/(Loss) for the year</b>	<b>4,708</b>	<b>-2,197</b>

**Financial statements 1 July 2023 - 30 June 2024****Balance sheet**

Note	DKK'000	2023/24	2022/23
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	<b>Financial assets</b>		
8	Contract assets (Unbilled Receivables)	12,964	—
9	Prepayments, long	1,918	2,286
	<b>Total financial assets</b>	<u>14,882</u>	<u>2,286</u>
	<b>Total non-current assets</b>	14,882	2,286
	<b>Current assets</b>		
	<b>Receivables</b>		
	Trade receivables	56,884	62,236
8	Contract assets (Unbilled Receivables)	4,659	17,987
	Receivables from group enterprises	1,791	27,968
9	Prepayments	1,815	2,147
		<u>65,149</u>	<u>110,338</u>
	<b>Cash</b>	2,300	2,640
	<b>Total current assets</b>	<u>67,449</u>	<u>112,978</u>
	<b>TOTAL ASSETS</b>	<u><u>82,331</u></u>	<u><u>115,264</u></u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
10	Share capital	500	500
	Retained earnings	18,227	13,526
	<b>Total equity</b>	<u>18,727</u>	<u>14,026</u>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
11	Deferred tax	201	205
12	Deferred income, long	846	1,853
	<b>Total non-current liabilities</b>	<u>1,047</u>	<u>2,058</u>
	<b>Current liabilities</b>		
12	Deferred income	53,029	77,044
	Trade payables	26	56
	Payables to group enterprises	2,769	9,467
	Payable to group enterprises concerning corporate tax	760	2,289
	Other payables	5,973	10,324
	<b>Total current liabilities</b>	<u>62,557</u>	<u>99,180</u>
	Total liabilities	<u>63,604</u>	<u>101,238</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>82,331</u></u>	<u><u>115,264</u></u>

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**Financial statements 1 July 2023 - 30 June 2024****Statement of changes in equity**

<b>Note</b>	<b>DKK'000</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	Equity at 1 July 2022	500	15,729	16,229
7	Transfer, see "Appropriation of profit/loss"	0	-2,197	-2,197
	Other movements	0	-6	-6
	<b>Equity at 1 July 2023</b>	<b>500</b>	<b>13,526</b>	<b>14,026</b>
7	Transfer, see "Appropriation of profit/loss"	0	4,708	4,708
	Other movement		-7	-7
	<b>Equity at 30 June 2024</b>	<b>500</b>	<b>18,227</b>	<b>18,727</b>

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Sitecore International A/S for 2023/24 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

#### Changes in accounting policies

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

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Sitecore Holding II A/S.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### 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 recognized 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 recognized in the most recent financial statements is recognized in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Revenue is mainly derived from fees charged for Software as a Service (SaaS), software subscriptions and licenses, cloud hosting, software maintenance, and services (consulting, education, and other). The Group have chosen IFRS 15 as interpretation for revenue recognition for which the accounting policies are as follows:

##### SaaS

SaaS is a way of delivering software applications over the internet as a service. Unlike a term license arrangement hosted by Sitecore, customers access the software through the internet where it is owned, delivered, and managed remotely by Sitecore. Outside of the SaaS arrangement, there is no stand-alone value to the customer as they never control or own the software. Sitecore's SaaS arrangements typically have minimum commitments from one to three years.

##### Software subscription and license

Software license revenue represents fees earned from the license or sale of software to customers for use on the customer's premises. In these arrangements, the customer has the right to use and take possession of the software for installation on the customer's premises or on hardware of third-party hosting providers unrelated to Sitecore or hosted in Sitecore's managed cloud environment. Software licenses are sold as perpetual licenses or as term subscription licenses, limiting possession of the software to a specified term, typically a period of one to three years.

For multi-element contracts, the basis for determining the transaction price for revenue recognition is an assessment of the standalone selling prices for the identified performance obligations, including rebates, discounts, and allowances.

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cloud hosting

Hosting services include hosting, monitoring, managing the installation of Sitecore software on Microsoft Azure's cloud platform. Hosting arrangements typically have minimum commitments from one to three years.

##### Software maintenance

Maintenance revenue represents fees earned from providing customers with technical product support and unspecified future software updates, upgrades, and enhancements on an if-and-when available basis.

##### Services

Services revenue represents fees earned from consulting and education services.

##### Identify the contract

We combine contracts entered into with the same customer within the same month if they are economically interrelated. Significant judgment is required in determining if contracts are interrelated. Considerations include:

- Multiple contracts were negotiated as a single package with a single business objective,
- Price in one contract is tied to a price or performance of the other contract.

##### Identify performance obligations

Our contracts with customers often include promises to transfer multiple software offerings and services to a customer. Determining whether software and services are considered distinct performance obligations that should be accounted for separately versus together may require judgement.

Contract elements discussed above in the Classes of Revenue section above generally qualify for accounting purposes as separate performance obligations, except for promised software and services which may represent a single performance obligation.

We frequently grant customers options to purchase additional software and services in future at a price defined in current contracts. Significant judgment is required in determining if such options represent a material right that the customer would not otherwise receive without entering into the current contract. Judgment includes evaluation if the discount on an optional purchase is greater than the discount included in the current purchase as well as in relation to a range of discounts historically provided to a similar class of customers or in a similar deal size.

##### Determine the transaction price

Significant judgments are required to determine the amount of consideration to be received by Sitecore in exchange for software and services. These include estimates of concessions based on prior history, evaluation of rights of return and customer acceptance clauses in contracts, and assessment of variable consideration.

Our customer contracts do not have significant financing components. Customers are generally invoiced in advance with payment due 30 days after the invoice date.

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Allocate the transaction price

Fixed term subscription and perpetual license performance obligations are sold for a broad range of amounts (that is, selling price is highly variable) and a representative standalone selling price is not discernible from past transactions or other observable evidence. As a result, the standalone selling price for fixed term subscriptions or perpetual licenses included in a contract with multiple performance obligations is determined by applying a residual approach whereby performance obligations with observable standalone selling prices are first allocated a portion of the transaction price based on their respective standalone selling prices, with the residual amount of the transaction price allocated to the fixed term subscription or perpetual license.

Standalone selling price for all SaaS, Cloud Hosting, Maintenance Services and other Services are determined based on observable pricing.

##### Recognize revenue

SaaS and cloud hosting revenue are recognised evenly over time as services are provided. Our performance obligation for SaaS arrangements is a right to access and use of our software for a certain term and with hosting arrangements it is to host the software for a certain term. Performance for both types of obligations is measured on a time elapsed basis. Therefore, revenue is recognised ratably over the contract term.

Software subscription and license revenue is recognised at a point in time, when the license key is delivered to the customer enabling the customer to download the software, but not earlier than the start of the contractual license term. Revenue for license renewals is recognised at the start of the renewal period. Where a license is sold as part of a bundle and is not considered distinct in the context of the contract, revenue is recognized ratably over the subscription period for which the bundled services are provided.

Maintenance revenue is recognised ratably over the term of the support arrangement, as the performance obligation is satisfied over time. Maintenance services are a stand-ready performance obligation to provide technical product support and unspecified updates, upgrades, and enhancements on a when-and-if- available basis. Customers simultaneously receive and consume the benefits of these support services as Sitecore performs.

Education service revenue is recognised over time as services are delivered. Consulting services revenue is recognised over time based on percentage of completion method measuring performance progress based on actual time incurred compared to the estimated budgeted time required to fully deliver a service. Significant judgment is required in estimating budgeted time. We use hour history with similar projects when estimating total budgets required to deliver a consulting service.

##### Costs to obtain a contract

The Company recognizes an asset for the incremental costs of obtaining contracts with customers that are directly associated with the contract if those costs are expected to be recoverable and records them in "Deferred Expenses" in the consolidated balance sheet. Incremental costs of obtaining contracts are those costs that the Company incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

The costs capitalised are primarily sales commissions paid to our sales force personnel as well as third party partners. Capitalised costs may also include portions of fringe benefits and payroll taxes associated with compensation for incremental costs to acquire customer contracts and incentive payments to partners.

Capitalised costs to obtain a contract are amortized over the expected period of benefit, which we have determined to be 4 years. Amortisation of capitalised costs are presented in sales and marketing expense in our consolidated statements of profit and loss. Sales and partner commissions payable are presented in Accrued and Other Payables and Trade Payables, respectively.

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cost of sales

Cost of sales includes the intercompany expenses on distribution and costs of services in generating the year's revenue.

##### External expenses

Other external expenses include costs incurred by the Company relating to sales, advertising, and administration used in generating the year's revenue.

##### Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, financial expenses relating to exchange gains and losses and amortization of financial assets and liabilities.

##### 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 recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

The entity is jointly taxed with other Danish group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Receivables

Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, which usually corresponds to the nominal value.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and unbilled receivables. To measure the expected credit losses, trade and unbilled receivables have been grouped based on the days past due. Expected loss in the first 12 month is estimated, and the receivables are monitored on an ongoing basis. If higher credit risk is identified for specific customer(s) or credit risk is significantly changed the expected credit loss in the lifetime is measured. Receivable balances are written off when there is no reasonable expectation of recovery.

##### Contract assets

Contract assets represent revenue recognized for contracts that have not yet been invoiced to customers, typically for multi-year arrangements. When we have unconditional rights to consideration, except for the passage of time, a receivable will be recorded on the balance sheets.

##### Prepayments

Prepayments are expenses paid for, but not yet incurred, in the current reporting period.

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Income taxes and deferred taxes

Current tax payables and receivables are recognized 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. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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 crystallize as current tax. Deferred tax assets are recognized at the expected value of their utilization; 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 recognized in the income statement.

##### Deferred income

Deferred income consist of contract liabilities and reflect invoices due or payments received in advance of revenue recognition. Our contract balances will be reported as net contract assets or liabilities on a contract-by-contract basis at the end of each reporting period.

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin	Gross profit or loss divided by net revenue
EBITDA-margin	Earnings before interest, taxes and amortisations (EBITDA) divided by net revenue
Return on equity	Profit or loss after tax divided by average equity

#### 2 Recognition and measurement uncertainties

Revenue recognition:

Revenue recognition requires management to make judgments which are based on assumptions on historical and forecast information, as well as on regional and industry economic conditions in which we or our clients operate. A short description of main judgments made in relation to revenue recognition as follows:

- Assessing whether it is probable that the consideration from contract with clients will be collected requires judgment and might impact the timing and amount of revenue recognition
- Establishing whether distinct goods or services are considered to be separate performance obligation requires judgment and might impact the timing and amount of revenue recognition

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 2 Recognition and measurement uncertainties (continued)

- The allocation of total transaction fee of a client contract to the distinct deliverables requires judgment in determining an apportionment which reflects the fair value measurement of each performance obligation. This may impact the timing and amount of revenue recognized.
- Determining whether different contracts with the same client are accounted for as one agreement involves the use of judgment as it requires us to assess whether the contracts are negotiated together or linked in any other way. The timing and amount of revenue recognition can vary depending on whether two contracts are accounted for separately or as one single arrangement.

#### 3 Capital matters

Intercompany payables as reflected on the balance sheet will be repaid to group entities as funds become available, and do not have to be repaid sooner than the company has liquidity to do so. Intercompany receivables may not be repaid to the Company until the respective counterparty has the liquidity to do so. The Company has received a declaration of financial support from its parent company, Sitecore Holdings II A/S committing to provide sufficient resources to settle any liabilities as they fall due if the Company does not have sufficient resources of its own. All internal debt of the Company and other group entities is subordinated to other liabilities, and no internal debt will be called or required to be repaid between the Company of any group entities unless and until the individual entity has sufficient liquidity to do so. This declaration is effective for at least 12 months from approval of the Company's annual report.

#### 4 Financial income

DKK'000	2023/24	2022/23
Interest income, group entities	—	1,151
Exchange gain	2,271	0
Other financial income	76	25
	<u>2,347</u>	<u>1,176</u>

#### 5 Financial expenses

DKK'000	2023/24	2022/23
Exchange losses	—	2,806
Interest expense, group entities	—	1,633
Other financial expenses	4	40
	<u>4</u>	<u>4,479</u>

#### 6 Tax for the year

DKK'000	2023/24	2022/23
Tax expenses for the year	1,240	-480
Tax expense adjustment for previous year	-338	712
Deferred tax for the year	-4	-144
Deferred tax for the year, other	-7	—
	<u>891</u>	<u>88</u>

**Financial statements 1 July 2023 - 30 June 2024****Notes to the financial statements****7 Appropriation of profit/loss**

DKK'000	2023/24	2022/23
<b>Recommended appropriation of profit/loss</b>		
Retained earnings	4,708	-2,197
	<u>4,708</u>	<u>-2,197</u>

**8 Contract assets (Unbilled receivables)**

Contract assets represent revenue recognised for contracts that have not yet been invoiced to customers, typically for multi-year arrangements. When we have unconditional rights to consideration, except for the passage of time, a receivable will be recorded on the balance sheets.

DKK'000	2023/24	2022/23
Unbilled receivables, current	4,659	17,987
Unbilled receivables, non-current	12,964	—
	<u>17,623</u>	<u>17,987</u>

**9 Prepayments**

Prepayments include accrual of expenses relating to subsequent financial years.

DKK'000	2023/24	2022/23
Prepayments, long	1,918	2,286
Prepayments	1,815	2,147
Total	<u>3,733</u>	<u>4,433</u>

**10 Share capital**

The Company's capital consists of 500,000 shares with a nominal value of DKK 1. No shares are assigned special rights.

**11 Deferred tax**

DKK'000	2023/24	2022/23
Deferred tax at 1 July	-205	-349
Deferred tax for the year	4	144
<b>Deferred tax at 30 June</b>	<u>-201</u>	<u>-205</u>

**12 Non-current liabilities other than provisions**

DKK'000	Total at 30/6 2024	Repayment, next year	1-5 years	Outstanding after 5 years
Deferred revenue	53,875	53,029	846	—
	<u>53,875</u>	<u>53,029</u>	<u>846</u>	<u>—</u>

**13 Deferred income**

Deferred income comprises payments received from customers that cannot be recognized until the subsequent financial year.

DKK'000	2023/24	2022/23
Deferred revenue	53,029	77,044
	<u>53,029</u>	<u>77,044</u>

## Financial statements 1 July 2023 - 30 June 2024

### Notes to the financial statements

#### 14 Contingent liabilities

The Company is jointly taxed with its ultimate Danish parent, Sitecore Holding II A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

#### 15 Collateral

Sitecore Corporation A/S, Sitecore Denmark A/S and Sitecore International A/S have a combined owner's mortgage of EUR 6 million to Wilmington Trust (London) Limited as security for certain credit facilities of Sitecore Group.

Sitecore International A/S has issued a negative pledge under group company's loan agreement and provided its intercompany receivables and shares as security for the same credit facilities.

#### 16 Related parties

Sitecore International A/S related parties comprise of the following:

##### Control

Sitecore International A/S is a wholly own subsidiary of Sitecore Corporation A/S, a Danish incorporated company. The ultimate parent company is Sitecore Holding II A/S, Vester Farimagsgade 3, 1606, Copenhagen V, Denmark.

Sitecore International A/S is part of the consolidated financial statements of Sitecore Holding II A/S, registered office, which are the smallest and largest groups, in which the Company is included as a subsidiary.

The consolidated financial statements of Sitecore Holding II A/S is available from: <https://datacvr.virk.dk/enhed/virksomhed/37624071?fritekst=sitecore&sideIndex=0&size=10> (Sitecore Holding II A/S CVR no 37624071).

<b>DKK'000</b>	<b>2023/24</b>
Purchase of services from group enterprises	157,666
<b>Total</b>	<b>157,666</b>

Payables to Group Enterprises are disclosed in the balance sheet, intercompany interest income and interest expense are disclosed in notes 4 and 5, respectively.

#### 17 Staff

The Company has no employees. The company's activities, including management, are delivered by other group companies through services.

#### 18 Currency exchange risk

A significant portion of Sitecore International A/S revenue and costs are outside of Denmark, therefore the company faces exposure to foreign currency exchange rates. These exposures may change over time as business practices evolve and economic conditions change, and they could have a material adverse impact on Sitecore International A/S financial results and cash flows.

#### 19 Events after balance sheet date

There are no significant events after the balance sheet date affecting the Company.