

Annual Report

01.07.2023 – 30.06.2024

Sitecore Holding II A/S

Vester Farimagsgade 3, 1606 Copenhagen V

CVR No. 37 62 40 71

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 15 November 2024.

Chairperson of the ordinary general meeting: Victoria Forsberg



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Company information

Company

Sitecore Holding II A/S
Vester Farimagsgade 3
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Denmark

CVR No. 37 62 40 71
Municipality of reg. office: Copenhagen

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Board of Directors

Darren Roos (Chairperson)
Bjarne Kock Hansen
Christian Shin Hoegh Anderson
Marjorie Lao
Michael Ouissi
Saleah Hassen Laher
Margaret Buggie
Constance Lisa Pauline Minc ép. Choufani

Executive board

Dave O'Flanagan
Michael Bannon
Eric Stine

Auditor

KPMG P/S

Company profile

Sitecore creates human connections between brands and their customers with rich end-to-end content, seamless commerce, and always-on personalization so brands can thrive in a world where, without a digital experience, there is no product.

People buy experiences, not just products. With industry-leading content management, digital marketing and commerce solutions, our enterprise-level SaaS and platform products empower brands to deliver digital experiences that resonate.

Our Vision

Disrupt the market with innovative solutions that turn consumers into fans.

Our Mission

Elevate leading brands through unforgettable digital connections with their customers.

Our Purpose

Empower brands to create memorable experiences.

Our Core Values

- Simplicity - we keep things simple.
- Integrity - we do what is right.
- Grit - we see obstacles as opportunities.

Message from the CEO

Dear Sitecore Shareholders,

As we close FY24, I am pleased to present Sitecore's Annual Report – my first as Chief Executive Officer.

Change and resilience characterized the past year, and I believe put Sitecore in our strongest-ever position to fulfil our strategic objective of leading the digital experience platform (DXP) market.

Sitecore met our net results target in FY24 and significantly improved operating profit and EBITDA to achieve our best performance in recent years. We delivered our best revenue performance ever, reaching an exciting milestone by surpassing US\$500 million in annual recurring revenue. We anticipate that our initiatives to improve efficiency and sharpen our go-to-market strategy will have a positive impact on growth in FY25.

Flexible deployment options are also driving customer uptake of Sitecore's solutions. Customers have the power to choose PaaS with XM/XP, hybrid, or fully SaaS with XM Cloud – the fastest-growing solution in our history. Sitecore is the only composable DXP provider to deliver this breadth of options. To support customers at all stages of their work, Sitecore backs up our solutions with unified support, our Sitecore360 offering, and close collaboration with our many solution partners.

As we build for the future, in April we debuted our marketer-first AI strategy. This is a key initiative that expands our DXP portfolio to include new generative AI capabilities. We have already delivered several important new AI-powered capabilities against this strategy, but this is just the start. As we look ahead, we view a huge opportunity for our DXP to fundamentally transform the way marketing teams create content and personalized digital experiences for their customers.

To begin to capture this opportunity, at our Symposium customer conference in October 2024, we debuted Sitecore Stream – the start of a new era of Intelligent DXP that gives marketers the power to build simpler, smarter, and more strategically with intelligence that understands their brand, marketing campaigns, content, and customer data. The result for customers will be better conversion rates, better customer loyalty, and more resonant digital experiences that engage audiences – even at a time when marketers are being asked to do more with less.

Looking ahead to FY25, we intend to grow our position in key geographic regions, enhance our partner ecosystem, and deepen strategic alliances. We believe these and other activities will grow revenue during the coming fiscal year. We expect our economies of scale and productivity improvements to accelerate EBITDA growth.

I am personally grateful to our customers, partners, and employees for the confidence they have in Sitecore. As we take on these and other corporate objectives, we are guided by our values of simplicity, integrity, and grit. People are at the core of everything we do. We remain committed to always acting in accordance with our values and to maintaining a high degree of trust within our company, ecosystem, and communities.

Thank you for your continued commitment to Sitecore.

Warmest regards,

Dave O'Flanagan

Chief Executive Officer

Sitecore

Management review

Industry analyst recognition and awards

During fiscal year 2024, we received accolades and recognition from leading industry analyst organizations, which helps to promote our brand, increase understanding of our corporate and product strategy, and nurture demand for our offerings.

- **Gartner Personalization Engines MQ**
 - **Leader**
Date awarded: 6 September 2023
- **Gartner Content Marketing Platforms MQ**
 - **Leader**
Date awarded: 8 May 2024
- **IDC's Headless Commerce MS and IDC Midmarket Growth for B2C Commerce**
 - **Leader**
Date awarded: 20 July 2024
- **IDC's WW Hybrid Headless CMS MS**
 - **Leader**
Date awarded: June 2023
- **Forrester's DXP Wave**
 - **Strong performer**
Date awarded: 5 Dec 2023
- **IDC's WW CDP Front-Office Users MS**
 - **Leader**
Date awarded: 2021-22 Vendor Assessment
- **Gartner Digital Experience Platforms MQ**
 - **Visionary**
Date awarded: 21 Feb 2024
- **IDC's WW Full-Stack CMS MS**
 - **Leader**
Date awarded: June 2023
- **IDC's MarketScape Enterprise B2B and B2C Commerce MS**
 - **Major player**
Date awarded: 20 July 2024
- **Forrester's Wave for B2B Commerce Solutions**
 - **Strong performer**
Date awarded: 5 May 2024

Corporate social responsibility

The statement of corporate social responsibility (CSR) is conducted in accordance with the requirements in the Danish Financial Statements Act, sections 99a and 99b. Sitecore seeks to achieve its business objectives by acting in a responsible and ethical way. We accomplish this through respect for and adherence to laws, by working towards a safe and inclusive workplace for employees, and by minimizing environmental and climate impact. Our business model is described within the 'Management review' section above, and below describes how we integrate CSR into overall business objectives.

Our business-driven CSR strategy focuses on the following main areas:

- Energy and limited GHG emissions tracking
- Employee diversity and well-being, including health, safety, fair treatment, and development
- Protection of internationally proclaimed human rights
- Global business ethics and transparency, including confidentiality, security and privacy commitments

Our ESG program is led by an ESG Manager that reports to the Chief Human Resources Officer. The Chief Human Resources Officer relays progress and priorities to the Board. We also engaged Stok, a consulting firm with a team of interdisciplinary experts focused on sustainable real estate development and management, to further build out the company's environmental strategy, policies, projects, and monitoring.

For each of the four areas discussed in detail below, the relevant department heads report annually on achievement of related social responsibility, governance and sustainability goals.



Environment and climate

Policy

The ESG Policy details the environmental, social, and governance goals and strategies as well as dictates the scope of the program, roles and responsibilities, and reporting requirements for CSR and ESG information.



Actions

We operate in markets with climate regulations and as such, must track and report on our emissions. Therefore, Sitecore is focused on tracking energy and limited GHG emissions at our offices to understand our environmental footprint and develop strategies for reduction. We are working to better capture all business travel and data centre emissions with a goal to offset 100% of those emissions.

Through our partnership with EQT, Schneider Electric conducts annual scope 1 & scope 2 emissions reports and has developed a GHG Emissions Implementation Plan. The plan details the methodology utilized and sources of carbon that we track on an ongoing basis. We have collected data for our operational building energy use and have quantified the emissions associated with this usage to inform our policies and future goal setting.

In addition to energy and GHG emissions, Sitecore also tracks several ESG characteristics at each office. Workplace managers completed a survey on specific ESG features like lighting, efficient fixtures and appliances, Walk Score, recycling infrastructure, and other ESG programs. This information allows us to build on existing programs and amenities.

While reduction is the first step, we also work with Schneider to procure Energy Attribute Credits (EACs) to offset our office electricity use.

Sitecore also partners with Cool Effect to offset a portion of our business travel and data centre emissions through verifiable projects.

Sitecore is conducting a Double Materiality Assessment to determine topics to report on and building out accurate and complete datasets. After that that, we will have measurable results aligned with CSRD to report.

Results

To minimize our environmental footprint and limit energy usage, we made the following real estate portfolio improvements:

- high efficiency, motion-controlled lighting was installed in our offices in Dublin, London, Dubai, San Francisco, Singapore, Tokyo, Dnipro, Sofia, Athens, Kuala Lumpur and Sydney
- low water flow fixtures were fitted in our offices in San Francisco, Singapore, Tokyo, Sofia, Athens, Kuala Lumpur, Sydney and Dubai
- We provide mass transit benefits to employees in all markets where it's available (e.g., Tax saver scheme in Dublin)
- We work to eliminate waste, including single use plastics. All our office locations are equipped with bins to segregate waste according to local recycling guidelines. Some offices (e.g., Dublin) donate their plastic bottles and drink cans deposits to charity
- Our Copenhagen office space is powered by renewable energy sources including solar, wind, and water.

We are partnering with ReforestAction to sponsor offset projects, including planting 3,000 trees in forests that will have a strong environmental and economic impact for the surrounding communities.

We are a member of the UN Global Compact which is the World's largest corporate sustainability initiative. We renewed our commitment in July 2024 and submitted a progress report ('Communication on progress'). The UN Global Compact is a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals. We will be committing to the following Environmental principles under the UN Global Compact:

- Principle 7: Businesses should support a precautionary approach to environmental challenges
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

Gender composition

In accordance with section 99b of the Danish Financial Statements Act, the table below represents an overview of the Board of Sitecore Holding II. As there are no employees of Sitecore Holding II, the only members are Executive management, as disclosed below. We are not required to have a policy on how to increase the percentage of the underrepresented gender since the company has less than 50 employees.

See results below, as of 30 June 2024, which further describes our achievement of under represented gender on the Board and other management.

FY2024	
Board of Directors (top management body)	
Total number of members	7
Under represented gender in %	28,57%
Other management levels	
Total number of members	3
Under represented gender in %	0%
Target number in %	33%
Year target number is expected to be fulfilled	2029

Social and employee relations

Content of policy

Our Diversity and Inclusion policy establishes the foundation to empower our passionate and innovative team members to share the diverse perspectives, experiences, and skills to help us thrive as a company. Our dedication to equally ensure employees are healthy, happy, and thriving is part of the core values embraced every day. We believe that everything we do and every decision we make must be done with thoughtful intention. The trust we've built within and across our teams enables us to challenge both ourselves and one another to always strive for better when it comes to inclusivity and belonging. We ardently believe that a diverse, inclusive and equitable workplace is not just a moral imperative but a key driver of innovation and business excellence. The below information addresses both the requirements of §99a and §99b of the Danish Financial Statements Act.



Actions

We continue to build a community and culture that is inclusive, equitable and diverse. We celebrate differences, treat each employee fairly and with respect to ensure everyone has an equal opportunity to contribute to the success of our company and reach their full potential.

We have set commitments to the following:

- **Diverse Hiring Practices:** We are committed to building a team that reflects the rich diversity of the communities we serve. This commitment to diversity in hiring practices is essential for driving innovation, enhancing creativity, and achieving sustainable growth.
 - Integrate DEI in recruiting and hiring processes.
 - Train recruiters on inclusive sourcing and diverse recruiting practices.
 - Establish new avenues to source from, increasing the pool of diverse candidates

2026 Goal: Achieve gender parity in our workforce by improving female representation to reach our goal of 40% in all departments and roles.

- **Inclusive Training Programs:** Education on the topic of DEI is not a one-time thing, so we strive to make it a continuous topic of discussion.
 - We continue to require all employees to complete a course on DEI as part of their annual compliance training. We have maintained a 100% completion rate for all compliance training to date.

- Offer our employees the opportunity to join training sessions focused on learning about diversity, equity, inclusion, or belonging topics. These will be facilitated by internal and/or external resources.

2026 Goal: 100% completion rate for DEI compliance training on an annual basis

- Leadership: Accountability begins with our leadership. Our leaders will exemplify the behaviours we value, setting a clear example that inclusivity is a fundamental priority at Sitecore.
 - Educate leaders on how to create an inclusive experience, starting with recruitment through to offboarding, proving to employees that inclusion is at the core of the organization.
 - Equip managers to have conversations around DEI.

2026 Goal: 100% of people managers have participated in two DEI learning opportunities each year.

- Building a Culture of Belonging: We're committed to building a diverse and inclusive workplace supported by ongoing awareness, celebration, and educational initiatives.
 - Provide forums for employees to educate themselves on colleagues with different and diverse backgrounds.
 - Reinvigorate existing Employee Resource Groups ("ERGs") (women, pride and Latinos at Sitecore) and expand with new ERGs or Affinity groups.

2026 Goal: Increase awareness of ERGs with employees, and add a minimum of one new affinity group to allow employees a space to interact with others.

- Community Engagement: We'll expand our commitment to diversity and inclusion by engaging our employees and partners in the communities we serve through volunteering and opportunities to give back.
 - Launch employee volunteer platform to provide Sitecorians the opportunity to give back with a focus on community service activities, particularly those that promote equality.

2026 Goal: Introduce volunteer days – giving employees paid time to volunteer in the communities we serve.

Due diligence

We consistently report our numbers in a transparent way – in both quarterly business reviews as well as in open forums such as our 3G quarterly events – to keep ourselves honest and hold ourselves accountable. We will continue to train our hiring managers on diversity and inclusion topics and present diverse candidates for open positions.

Results

The following illustrates our data as of 30 June 2024:

- Executive Leadership level (C-suite): 30%
- Director level and above: 28%
- People managers across our global operations: 31%
- All employees: 32%

This statement is given in accordance with the requirements in the Danish Financial Statements Act, section 99b. The ratio of female managers has recently decreased, which we take seriously. Multiple DEI programs are being reviewed to increase opportunities for diverse candidates as well as provide a safe

and supportive atmosphere for women and minorities. We also embed within our processes to review company job posting for inclusive language.

The formation and composition of our Board of Directors is influenced by our majority shareholder, EQT, and comprises seven esteemed professionals serving as non-executive advisors. These individuals bring a wealth of experience from diverse fields, primarily connected to the EQT ecosystem, offering invaluable insights in leadership, executive decision-making, sales, finance, and technology. The Board of Directors consists of seven members of which two of them are female, reaching our leadership diversity goal of more than 25%. We have recently appointed Darren Roos as new Chairperson of the Board, and subsequently made changes of other Board members.

The broader Sitecore team is also a testament to our DEI commitment, with diversity metrics that underscore our dedication to creating a workforce that mirrors the multifaceted communities we serve globally. The success of our talent acquisition is intricately linked to our DEI objectives, with performance metrics and incentives aligned to foster a diverse and inclusive workplace.

We are unwavering in our dedication to appointing the most qualified individuals to every role while ensuring that our teams are as diverse and inclusive as the global communities where we do business. Our DEI initiatives are integral to our organizational ethos, driving not just moral and social value, but enhancing innovation and business performance.

Expectations for future work

We continue to expand on our diversity agenda. Our ERGs are continuing to form and grow and Sitecore has set plans for the future which will continue to improve results across the organization. We look to see changes in the downward trend of women in our workforce and lead the way in the technology sector. We have a goal of 40% gender diversity in all departments by 2026.

We will continue our efforts to fill vacant leadership seats to reflect this gender distribution target. While relevant professional qualifications remain key selection criteria for all positions within Sitecore, our management will continue to focus on diversity and will continue to evaluate programs to enhance attracting and developing diversity in its employee base.

Human rights

Content of policy

We previously adopted a Supplier Code of Conduct which contains the our commitment to human rights and sustainability, and applies to all vendors that engage with us. Through the adoption of the Supplier Code of Conduct, together with the global Code of Business Conduct (Code), we support the protection of internationally proclaimed human rights.

Actions

As part of the Supplier Code of Conduct, we conduct periodic audits to review and manage risks in our supplier relationships and acts on any instance of non-compliance. Similar actions are taken on instances of non-compliance with our human rights policy.

Due diligence

Sitecore monitors new developments and practices relating to corporate social responsibility and updates its internal training initiatives, with a particular focus on its obligation to act as a responsible and ethical global corporate citizen.

Results

During fiscal year 2024, no breaches of the Supplier Code of Conduct or Sitecore's human rights policy were detected.

Expectations for future work

We will continue our annual materiality assessments and strive to maintain a zero breach of our Codes. In the coming fiscal year and as outlined earlier, we have signed up to the UN Global Compact which is the World's largest corporate sustainability initiative. From a Human Rights perspective, we will be committing to the following principles under the UN Global Compact:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses

Anti-corruption and bribery

Content of policy

We are committed to ensuring good business conduct with a high level of integrity and standards of ethics. Our Code serves as the foundation for the consistent application of these goals. In addition, the Executive Leadership Team has formed a Legal Compliance Team which is headed by a Group Compliance Counsel. The Code together with other corporate policies, rules, standards, guidelines, and procedures, provides a strong governance structure and enforcement mechanism.

The Code is tracked against the following eight guiding principles: (1) We promote a respectful workplace (2) We take ethics and compliance seriously, (3) We ask questions and report concerns, (4) We foster a safe and healthy work environment, (5) We avoid conflicts of interest, (5) We protect the Group's assets and reputation, (6) We are trustworthy when conducting business, (7) We follow the letter and spirit of the law, and (8) We believe in social responsibility.



Actions

The Code is distributed to all new employees and is promoted company-wide through training campaigns (when employees join the company and annually thereafter) and other internal programs describing its principles. Annually, all employees are trained on different aspects of the Code and certify their review and compliance with the Code. Certification of compliance with the Code occurs on a semi-annual basis for all employees. The Legal Compliance Team encourages compliance through training and the monitoring of compliance with the assistance of the wider HR team. The Legal Compliance Team maintains registers for any compliance related requests or exceptions to policies.

We have adopted a separate Anti-Bribery & Corruption (ABC) policy in combination with a reporting hotline, specifically designed to allow for anonymous reporting of illegal, unethical or inappropriate behaviour. The hotline is available 24 hours a day and is managed by a third-party vendor.

Due diligence

The Legal Compliance Team completes reviews of the Code and ABC policies and updates them accordingly. Registers for exceptions of the policies are maintained and any exceptions are only given after full due diligence of the exceptional circumstances.

Results

No breaches of our Anti-bribery or anti-corruption policies were detected and we are committed to ongoing focus in this area to minimize risks.

Expectations for future work

Management will continue to encourage compliance and advertise the hotline in regular employees Newsletter with the backing of the Chief Legal Officer & the Legal Compliance Team. We have achieved a 100% completion rate for all compliance training (new hires and annual for existing employees).

We will continue to strive to maintain a zero breach of our Code and the ABC policies.

We are now fully signed up to the UN Global Compact which is the world's largest corporate sustainability initiative. From an ABC perspective, we have committed to the following principle under the UN Global Compact:

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Data Ethics

At Sitecore, we understand the value of data and the importance of protecting it. We are committed to a security-first and privacy-first philosophy and emulating that in our own internal compliance framework as well as implementing privacy-by-design features and security-as-default in our products and services.

We are committed to fostering safe and responsible usage of data at Sitecore. The company has a dedicated Data Protection team, which ensures we adhere to data protection regulations and drive implementation of industry best practices to prevent data breaches and unauthorized access. This dedicated team is available to review and resolve any reported security incidents while ensuring that critical business operations can continue during and after a disruption. These actions are designed to enhance user experiences without compromising ethical principles.

As an example of using data in practice, individuals at Sitecore have access to public and private artificial intelligence (AI) tools, which can be used in software development and other department functions when guidelines are met. The company fosters a culture of ethical AI development by performing AI impact assessments for Generative AI functionality in products. The AI governance Board, with representation across functions of the business, have developed policies and guidelines, as well as training and education, to raise awareness to the need of using good behaviour when leveraging AI. Encouraging ongoing dialogue about ethical considerations ensures responsible AI practices are maintained at Sitecore. Through the integration of these ethical considerations into its data and AI practices, Sitecore not only enhances its digital experience offerings but also builds a foundation of trust and integrity with its users.

Like all globally engaged companies, we took a number of steps to implement the various requirements of the General Data Protection Regulation (GDPR) and California Consumer Protection Act (CCPA) and evolving global privacy laws into our business. This meant building our Privacy and Security Council and continuing to build our data strategy to ensure a robust data model for continuing adherence beyond the implementation dates of new laws.

These steps included:

- Privacy and Security Council: Privacy and Security Council comprised of Sitecore Enterprise Technology, Privacy and Security leadership, is responsible to create awareness and update the C-suite of the risks to Sitecore's privacy, security, and data estate to ensure accountability in all our business processes.

- Transparency, notice and choice: We have updated our Privacy Policy to ensure that those whose data we collect understand how it will be processed and can make informed choices about whether to share their data with us.
- Organizational measures: We reviewed our internal processes to ensure that we have improved internal guidelines and thresholds on who we work with and engage as vendors, reviewing our contracts to ensure that appropriate contractual mechanisms are in place before sharing data, implementing structures that incorporate privacy by design in our product review cycles and establishing protocols for responding to data subject requests.
- Technical measures: We have improved our internal security measures to ensure greater asset management, 24x7 SOC Operations with advance threat and attack surface management, as well as updating our internal security policies to deal with new legal requirements. Refer to the Trust Center security page on our website for more information on our security framework.
- Reviews: We have incorporated regular reviews and audits into our business model to consistently evaluate the effectiveness of our security framework and to ensure ongoing compliance with industry regulations.

Additional information on data governance at the company can be found at sitecore.com/trust.

Guidelines issued by Active Owners Denmark

As a private-equity-owned company, we follow the recommendations of Active Owners Denmark as described at www.aktiveejere.dk.

Status on changes in representation in leadership positions

Board of Directors

Changes to the Board of Directors in FY24 and up to the reporting date included:

Appointed: Christian Shin Høegh Andersen
Margaret Buggie
Michael Ouissi
Saleah Hassen Laher
Constance Lisa Pauline Minc ép. Choufani

Resigned: Jonas Persson
Bert Alfons Janssens
Craig Allen Conway
Carsten Oliver Thoma
Matteo Thun

Additionally, Darren Roos was appointed Chairperson of the Board in March 2024.

Executive Leadership

Dave O'Flanagan was appointed as CEO of Sitecore in April 2024. In addition, Sitecore appointed Kathie Johnson as Chief Marketing Officer in November 2023, Sophie Gelsthorpe as Chief Human Resources Office in June 2024, Eric Stine as Chief Operating Office in July 2024, and Michael Bannon as CFO in September 2024. Eric Stine and Michael Bannon were appointed to the Executive Board in September 2024.

Key Figures – Consolidated accounts (EURm)

	2023/24	2022/23	2021/22	2020/21	2019/20
Profit and Loss Accounts					
Revenue from contracts with customers	444,7	434,9	426,8	309,6	267,5
Gross profit	337,9	319,2	344,9	252,6	215,1
EBITDA (1)	51,9	(22,2)	2,0	14,2	9,7
Adjusted EBITDA (2)	85,2	19,5	31,6	45,0	26,2
Operating profit/(loss)	11,3	(82,6)	(40,9)	(20,4)	(43,2)
Financial items, net	(101,3)	(63,7)	(45,0)	(25,2)	(22,7)
Loss for the period	(91,9)	(150,5)	(87,5)	(20,1)	(79,4)
Total assets	1.505,5	1.542,9	1.588,6	1.469,3	1.255,8
Equity	340,5	442,0	580,4	676,2	653,6

Cash flows

Operating activities	20,4	(5,4)	(17,9)	28,0	37,1
Investment activities	(15,1)	(14,1)	(80,1)	(200,0)	(10,4)
Investments in tangible fixed assets	(1,4)	(1,9)	(5,9)	(2,1)	(4,0)
Financing activities	(8,9)	35,6	70,2	176,2	12,4

Employees

Average number of staff (full-time)	1.756	1.874	1.831	1.331	1.109
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Key ratios

Gross margin	76%	73%	81%	82%	80%
EBITDA as a % of revenue	11,7%	(5,1)%	0,5%	4,6%	3,6%
Adj. EBITDA as a % of revenue	19,2%	4,5%	7,4%	14,5%	9,8%

(1) EBITDA for the periods represent earnings before interest/finance costs, income taxes, depreciation, and amortisation.

(2) Adjusted EBITDA for the periods represent earnings before interest/finance costs, income taxes, depreciation, and amortisation, adjusted for non-recurring items primarily comprised of acquisition, restructuring related, and significant one-time costs.

Key ratios

The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the following definitions:

- Gross margin is calculated as the gross profit divided by net revenue.
- EBITDA as a % of revenue is calculated as the EBITDA divided by revenue from contracts with customers.
- Adj. EBITDA as a % of revenue is calculated as the Adjusted EBITDA divided by revenue from contracts with customers.

Financial review – consolidated financial statements

Sitecore met the FY24 net results target outlined in the FY23 Annual Report and significantly improved operating profit and EBITDA measures, both of which reflect the Group's best performance in recent history. Sitecore did not meet its projected revenue growth target outlined in the FY23 Annual Report, primarily due to lower than expected new business. However, the Group successfully executed on cost savings measures which more than offset this difference. Sitecore successfully executed on a number of further efficiency initiatives in FY24 which management anticipates will have a favourable impact on operating profit margins in future periods.

Financial statements

Revenue

Revenue for the year was EUR 444,7m against EUR 434,9m in the previous year, reflecting a year-over-year growth of 2,3% driven by growth in Annual Recurring Revenue (ARR) per customer and new bookings. As a result of the Company's shift from subscription to SaaS, the majority of new bookings are recognized ratably over time rather than up front (for subscription recognition), causing a temporary drag on revenue growth until revenues have fully transitioned to ratable recognition.

Cost of sales

Cost of sales consists of royalty costs for third-party products sold, hosting costs associated with our subscription offerings, salaries and related expenses of network operations, implementation, technical support, allocated overhead and the amortisation of acquired technology intangible assets. We enter into contracts with third parties for the use of their data centre facilities, and our data centre costs largely consist of amounts we pay to these third parties, power, and similar items. Cost of sales amounted to EUR 106,8m against EUR 115,7m in FY23, resulting in a gross profit of EUR 337,9m against EUR 319,2m in FY23. The increase in gross margin to 76,0%, as compared to 73,4% in fiscal year 2023 was primarily due to decreases in hosting and licensing costs and staff costs realized as a result of the Company's broader cost savings initiatives.

Sales and marketing

Sales and marketing expenses include costs associated with our sales, marketing, and customer success personnel and consist of compensation and benefits, commissions and bonuses, promotional and advertising expenses, travel and entertainment expenses related to these personnel, and allocated overhead. Sales and marketing expenses were EUR 177,5m against EUR 230,6m in FY23, decreasing due to non-recurring expenses related to FY23 investments and a reduction in staff costs.

General and administrative

General and administrative expenses include costs for executive, finance, human resources, information technology, legal, and administrative support functions. This includes compensation and benefits, professional services costs, and allocated overhead. General and administrative expenses were EUR 74,6m against EUR 100,8m in FY23. FY23 expenses include a EUR 12.4m impairment on intangible assets where there was no similar cost incurred in FY24. In addition, the Group benefited from lower staff costs and lower acquisition related costs.

Research and development

Research and development expenses include costs associated with the development of new products, enhancements of existing products, and quality assurance activities. This includes compensation and benefits, consulting costs, cost of software development tools and equipment, and allocated overhead. Research and development expenses for the year were EUR 75,1m against EUR 72,0m in FY23 due to increased investment on the development of our software products and allocation of overhead.

Finance costs

There was an increase in finance costs to EUR 101,3m from EUR 63,7m in FY23, primarily driven by higher interest expense resulting from growth in bank debt and an increase in interest rates.

Tax expense

Income tax expense of EUR 1,9m against income tax expense of EUR 4,2m in FY23. The change in income tax expense is primarily the result of a decrease in tax losses not recognized, partially offset by an increase in non-deductible finance expenses.

Balance Sheet

Intangible and tangible assets

Intangible assets amount to EUR 1.225,5m (FY23: EUR 1.239,9m). The decrease is due to amortisation recorded in the period and the effect of movements in exchange rates.

Property and equipment

Property and equipment amounted to EUR 19,1m against EUR 21,0m in FY23. The decrease is primarily due to depreciation in the period.

Trade receivables

Trade receivables amount to EUR 103,4m against EUR 110,8m in FY23. The decrease is due to improvements in DSO and the timing of billings in Q4. As at 30 June 2024, 64% of outstanding receivables are current, compared to 71% as at 30 June 2023.

Contract assets

Total contract assets amount to EUR 43,2m against EUR 54,9m in FY23. The decrease is due to the timing of revenue recognition on contracts as revenue is recognized ratably over time instead of recognizing a significant portion up front on a growing percentage of our contracts as we transition to selling more SaaS products.

Non-current liabilities

Total non-current liabilities amount to EUR 851,2m against EUR 791,0m in FY23. This increase is primarily the result of additional bank borrowings.

Current liabilities

Total current liabilities amount to EUR 313,8m against EUR 309,9m in FY23. The increase is primarily due to an increase of contract liabilities, due to the timing of revenue recognition on contracts as revenue is recognized ratably over time instead of recognizing a significant portion up front on a growing percentage of our contracts as we transition to selling more SaaS products.

Cash flow

Cash flows from primary operating activities were a EUR 66,9m inflow against EUR 7,8m inflow in FY23. This increase to a cash inflow was primarily driven by improvements in the Group's net results before interest and taxes as well as the effect of an increase in the Group's changes in working capital.

Cash flows from investing activities were EUR 15,1m outflow against EUR 14,1m outflow in FY23. The increase in cash outflow was driven primarily by an increase in development expenditures as compared to FY23.

Cash flows from financing activities were EUR 8,9m outflow against EUR 35,6m inflow in FY23. This change in cash flow was driven primarily by a decrease in net withdrawals of bank debt.

Treasury shares

The Group acquired 48.543 treasury shares during the period and holds a total of 4.295.521 treasury shares as of 30 June 2024. The Group did not sell any treasury shares during the period. The total acquisition cost of shares held as of 30 June 2024 is EUR 8,0m. The treasury shares have been acquired via repurchases from former employees pursuant to the shareholder agreement.

Capital resources

At the end of the period, the Group held EUR 47,0m in cash and cash equivalents. The Group also had undrawn credit facilities of EUR 19,8m.

Subsequent events

On 30 July 2024, Sitecore shareholders approved a resolution to issue new A-shares with a total subscription amount of EUR 70m. This capital increase was fully paid up and resulted in an increase in Share Capital and Share Premium of EUR 1.0m and EUR 69.0m, respectively.

The Group made the following changes to its leadership subsequent to 30 June 2024:

- Eric Stine hired as COO and appointed to the Group Executive Board.
- Michael Bannon hired as CFO and appointed to the Group Executive Board.
- Constance Lisa Pauline Minc. Choufani appointed to the Board of Directors.

There have been no other significant events after the Balance Sheet Date.

Parent Company

Net loss for the period

Net loss for the period amount to EUR 14,6m against net loss of EUR 1,0m in FY23. The Parent Company operates as a holding company for the group and incurs general and administrative expenses acting in that capacity. The increase in loss relates to an increase in professional fees related to the entity's role as Parent Company of the Group

Recognition and measurement

In preparing the annual report, Management makes various accounting estimates and assumptions that form the basis of presentation, recognition, and measurement of Sitecore's assets and liabilities. The most significant accounting estimates and judgments are made in relation to the accounting treatment of:

- Revenue recognition
- Impairment testing of goodwill
- Development projects
- Share-based payments
- Deferred tax assets
- Uncertain tax positions

There are no other significant uncertainties associated with recognition and measurement in the preparation of the financial statements.

Financial outlook for 2024/25

We view a tremendous opportunity for our DXP to fundamentally transform the way marketing teams create content and digital experiences. We will deliver on our strategy of leveraging AI to innovate across digital content and experiences and bring maximum value to our customers and partners globally. Focus on these efforts will support future revenue growth while, in parallel, we continue our efforts to execute on initiatives that will improve the efficiency and profitability of the business.

Current plans and expectations involve growing on our strong position in several geographic regions, expanding to new markets, enhancing the partner network, leveraging strategic alliances and the continued release of improvements to our products and services through internal development.

We expect revenue to grow 5–10% during the next fiscal year. We further anticipate that cost-saving measures taken with respect to hosting costs and other operating expenses, combined with the scalability of the business, will positively impact EBITDA margin by 5–10% in the next fiscal year.

Risk factors

Critical risk management considerations include the following:

Liquidity and leverage

As of 30 June 2024, we have a substantial amount of outstanding debt. Our ability to service this debt and meet all contractual obligations is dependent on our future performance, which can be impacted by factors outside of our control. If we are unable to generate sufficient cash flows to service the debt we may be required to attempt to refinance or renegotiate the terms of the debt, which may not be on favourable terms.

Macroeconomic and geopolitical events

As our business has expanded globally, we have increasingly become subject to risks arising from adverse changes in global economic and political situations, particularly in emerging markets. The past several years have been characterized by pockets of weak global economic conditions, uncertain political environments, volatile financial markets, and the war in Ukraine. The National Bank of Ukraine has introduced a number of limits on money transfers abroad. Sitecore Ukraine primarily operates as a R&D centre generating revenue through transfer pricing agreements. We mitigate risk associated with cash transfers by funding the entity on a rolling short-term basis.

Foreign currency exposure

Because the vast majority of our revenue and costs are outside of Denmark and we make certain business and resource decisions based on assumptions about foreign currency, we face minor 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 our financial results and cash flows.

Legal entities

Subsidiary Name	Legal form	Registered office location	Applicant's Ownership Percentage
EMEA Entities			
Sitecore Holding III A/S	Corporation (A/S)	Denmark	100%
Sitecore Corporation A/S	Corporation (A/S)	Denmark	100%
Sitecore Arabia for Information Technology	Limited liability company	Saudi Arabia	100%
Sitecore Belgium NV	Public limited company (NV)	Belgium	100%
Sitecore Bulgaria EOOD	Limited liability company (EOOD)	Bulgaria	100%
Sitecore Danmark A/S	Corporation (A/S)	Denmark	100%
Sitecore Deutschland GmbH	Private limited company (GmbH)	Germany	100%
Sitecore España, S.L.	Private limited company (S.L.)	Spain	100%
Sitecore France SAS	Simplified joint-stock (SAS)	France	100%
Sitecore International A/S	Corporation (A/S)	Denmark	100%
Sitecore Ireland Ltd.	Private company limited (Ltd.)	Ireland	100%
Sitecore Italia Sr.L.	Limited liability company (Srl)	Italy	100%
Sitecore Middle East DMCC	Limited liability company (DMCC)	United Arab Emirates	100%
Sitecore Middle East FZ-LLC	Limited liability company (LLC)	United Arab Emirates	100%
Sitecore Nederland BV	Private limited company (BV)	Netherlands	100%
Sitecore Schweiz AG	Corporation (AG)	Switzerland	100%
Sitecore Sverige AB	Limited liability company (AB)	Sweden	100%
Sitecore Ukraine	Foreign enterprise (FE)	Ukraine	100%
Sitecore UK Ltd.	Private limited company (Ltd.)	United Kingdom	100%
Moosend Ltd.	Private limited company (Ltd.)	United Kingdom	100%
Sitecore Greece Single Member PC	Private capital company (PC)	Greece	100%
APJ Entities			
Sitecore Australia Pty. Ltd.	Proprietary limited company (Pty. Ltd.)	Australia	100%
Sitecore Software (Shanghai) Co. Ltd.	Limited liability company (Co. Ltd.)	China	100%
Sitecore Hong Kong	Branch	Hong Kong	100%
Sitecore India Private Ltd.	Private limited company (Ltd.)	India	99,996%
Sitecore Kabushiki Kaisha	Limited liability company (Co. Ltd.)	Japan	100%
Sitecore Malaysia Sdn. Bhd.	Private limited company (Sdn. Bhd.)	Malaysia	100%
Sitecore Singapore Pte. Ltd.	Private limited company (Pte. Ltd.)	Singapore	100%
AMS Entities			
Sitecore USA Holding, LLC	Limited liability company (LLC)	United States of America	100%
Frank, Inc. [Dormant]	Corporation (Inc.)	United States of America	100%
Sitecore USA, Inc.	Corporation (Inc.)	United States of America	100%
Reflektion Media Software Private Ltd.	Limited liability company (Ltd.)	India	100%
Sitecore Canada Ltd.	Limited liability company (Ltd.)	Canada	100%

Management's Statement

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 Holding II A/S for the financial year 1 July 2023 – 30 June 2024.

The Consolidated Financial Statements and the Parent Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Financial Statements give a true and fair view of the assets and liabilities and financial position at 30 June 2024 of the Group and the Company and of the results of the Group and Company's operations and cash flows for the financial year 1 July 2023 – 30 June 2024.

Further, in our opinion, the Management's Review includes a true and fair description of the development in the Group and Company's operations and financial matters and the results of the Group and Company's operations and financial position.

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

Copenhagen, 31 October 2024

Executive Board

Dave O'Flanagan	CEO	_____
Michael Bannon	CFO	_____
Eric Stine	COO	_____

Board of Directors

Darren Roos	Chairperson	_____
Bjarne Kock Hansen		_____
Christian Shin Hoegh Anderson		_____
Marjorie Lao		_____
Michael Ouissi		_____
Saleah Hassen Laher		_____
Margaret Buggie		_____
Constance Lisa Pauline Minc ép. Choufani		_____

Independent Auditor's Report

To the shareholders of
Sitecore Holding II A/S



Independent auditor's report

To the shareholders of Sitecore Holding II A/S

Opinion

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 June 2024 and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 July 2023 – 30 June 2024 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Audited financial statements

Sitecore Holding II A/S' consolidated financial statements and parent company financial statements for the financial year 1 July 2023 – 30 June 2024 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including summary of significant accounting policies, for the Group as well as for the Parent Company (the financial statements). The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in 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 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' 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.

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.



Independent auditor's report

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 by relevant law and regulations.

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 relevant law and regulations. We did not identify any material misstatement of the Management's review.

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 International Financial Reporting Standards as adopted by the EU and additional requirements in 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 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 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 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 users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



Independent auditor's report

- 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 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.

Copenhagen, 31 October 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Melchior Eiler
State Authorised
Public Accountant
mne32271



Consolidated Financial Statements

Consolidated Statement of Profit and Loss

	Note	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
		€M	€M
Net revenue	4	444,7	434,9
Cost of sales	5,6,7	(106,8)	(115,7)
Gross profit		337,9	319,2
Other income		0,6	1,6
Sales and marketing costs	5,6,7	(177,5)	(230,6)
General and administrative expenses	5,6,7,8,12	(74,6)	(100,8)
Research and development costs	5,6,7	(75,1)	(72,0)
Operating profit / (loss)		11,3	(82,6)
Finance costs, net	9	(101,3)	(63,7)
Loss before income tax		(90,0)	(146,3)
Income tax (expense)	10	(1,9)	(4,2)
Loss for the period		(91,9)	(150,5)

Consolidated Statement of Comprehensive Income

	Note	01.07.2023- 30.06.2024 €M	01.07.2022- 30.06.2023 €M
Loss for the period	11	(91,9)	(150,5)
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation of subsidiaries (net)		(3,9)	6,1
Other comprehensive income for the period, net of tax		(3,9)	6,1
Total comprehensive loss for the period		(95,8)	(144,4)

Consolidated Balance Sheet

	Note	30.06.2024 €M	30.06.2023 €M
Goodwill	12	1.001,6	999,6
Acquired technology, customer relationships, and brand portfolio	12	200,6	220,8
Development projects	12	22,6	18,2
Development projects in progress	12	0,7	1,3
Total intangible assets		1.225,5	1.239,9
Property and equipment	13	1,1	2,1
Other operating equipment	13	1,9	3,0
Construction in progress	13	—	0,0
Right-of-use assets	16	16,1	15,9
Total property and equipment		19,1	21,0
Leasehold deposits		1,0	0,8
Other financial assets		—	1,6
Total financial assets		1,0	2,4
Deferred tax assets	14	1,4	2,5
Deferred expenses		26,6	27,1
Contract assets	4	4,5	5,3
Total other non-current assets		32,5	34,9
Total non-current assets		1.278,1	1.298,2
Trade receivables	15	103,4	110,8
Contract assets	4	38,7	49,6
Deferred expenses		19,4	17,4
Prepayments and other receivables		14,9	13,3
Income tax receivable		2,0	1,2
Contributed capital receivable	19	2,0	2,0
Total receivables		180,4	194,3
Cash and cash equivalents		47,0	50,4
Total current assets		227,4	244,7
Total assets		1.505,5	1.542,9

Consolidated Balance Sheet (continued)

	Note	30.06.2024 €M	30.06.2023 €M
Share capital	17	10,5	10,5
Unpaid share capital	17	(2,0)	(2,0)
Share premium		809,6	809,6
Exchange adjustment reserve		(7,9)	(4,0)
Other reserves		14,5	20,1
Retained deficit		(476,2)	(384,3)
Treasury shares		(8,0)	(7,9)
Total equity		340,5	442,0
Bank debt	18	777,6	710,6
Contract liabilities	4	7,9	7,5
Income tax payables		10,1	12,8
Deferred tax liabilities	14	33,1	38,5
Lease liabilities	16	12,0	10,5
Accrued and other payables		10,5	11,1
Total non-current liabilities		851,2	791,0
Trade payables		39,2	50,4
Income tax payables		21,3	25,6
Interest payable		11,5	4,7
Accrued and other payables		70,4	75,7
Contract liabilities	4	166,8	147,9
Lease liabilities	16	4,6	5,6
Total current liabilities		313,8	309,9
Total liabilities		1.165,0	1.100,9
Total equity and liabilities		1.505,5	1.542,9

Consolidated Statement of Changes in Equity

	Share capital	Reserve for unpaid share	Share premium	Exchange adjustment reserve	Retained deficit	Other reserves	Treasury shares	Total
	€M	€M	€M	€M	€M	€M	€M	€M
Equity at 30.06.2022	10,5	(2,0)	809,6	(10,1)	(233,8)	13,8	(7,6)	676,2
Loss for the period	—	—	—	—	(150,5)	—	—	(150,5)
Other comprehensive income	—	—	—	6,1	—	—	—	6,1
Total comprehensive loss for the period	—	—	—	6,1	(150,5)	—	—	(144,4)
Transactions with owners in their capacity as owners								
Purchase of treasury shares	—	—	—	—	—	—	(0,3)	(0,3)
Equity-settled share-based payment expense	—	—	—	—	—	9,4	—	9,4
Equity-settled share-based payment settlements	—	—	—	—	—	(3,1)	—	(3,1)
Total transactions with owners in their capacity as owners	—	—	—	—	—	6,3	(0,3)	6,0
Equity at 30.06.2023	10,5	(2,0)	809,6	(4,0)	(384,3)	20,1	(7,9)	442,0
Loss for the period	—	—	—	—	(91,9)	—	—	(91,9)
Other comprehensive income	—	—	—	(3,9)	—	—	—	(3,9)
Total comprehensive loss for the period	—	—	—	(3,9)	(91,9)	—	—	(95,8)
Transactions with owners in their capacity as owners								
Purchase of treasury shares	—	—	—	—	—	—	(0,1)	(0,1)
Equity-settled share-based payment expense	—	—	—	—	—	0,6	—	0,6
Equity-settled share-based payment settlements	—	—	—	—	—	(2,4)	—	(2,4)
Deferred tax impact on outstanding equity awards	—	—	—	—	—	(3,8)	—	(3,8)
Total transactions with owners in their capacity as owners	—	—	—	—	—	(5,6)	(0,1)	(5,7)
Equity at 30.06.2024	10,5	(2,0)	809,6	(7,9)	(476,2)	14,5	(8,0)	340,5

Consolidated Cash Flow Statement

	Note	01.07.2023– 30.06.2024 €M	01.07.2022– 30.06.2023 €M
Loss for the period		(91,9)	(150,5)
Adjustments to reconcile net loss to net cash flows			
Depreciation, amortisation and impairment	7	40,6	60,4
Net finance costs	9	101,3	63,7
Share based payments, net of settlement		(1,3)	9,3
Income taxes	10	1,9	4,2
Allowance for bad debt	15	2,6	2,0
Net foreign exchange differences		(2,5)	(0,5)
Loss on Sale/write off of assets	13	0,2	–
Other non-cash items		–	(0,1)
Changes in working capital, net of acquired assets and assumed liabilities:			
Decrease in contract assets	4	11,6	13,3
Decrease / (Increase) in accounts receivable	15	6,0	(11,6)
Increase contract liabilities	4	17,5	32,7
Decrease in accounts payables and accrued liabilities		(15,8)	(8,3)
Change in other net working capital		(3,3)	(6,8)
Cash flow from primary operating activities		66,9	7,8
Interest paid on debt	18	(28,4)	(19,5)
Interest paid on leases	15	(1,0)	(0,9)
Income taxes (paid) / refunded		(17,1)	7,2
Net cash flow from/(into) operating activities		20,4	(5,4)
Purchase of property and equipment	13	(1,4)	(1,9)
Proceeds from disposal of property and equipment	13	–	0,2
Development expenditure	12	(13,7)	(12,4)
Net cash flow into investing activities		(15,1)	(14,1)
Repayment of borrowings	18	(730,1)	(38,0)
Proceeds from borrowings, net of issuance costs	9, 18	728,8	80,0
Payment of lease liability	16	(5,8)	(8,4)
Repurchase of treasury shares		(0,1)	(0,3)
Proceeds / (payments) for settlement of derivatives	9	(1,7)	2,3
Cash flow from/(into) financing activities		(8,9)	35,6
Net cash flow for the year		(3,6)	16,1
Cash and cash equivalents, beginning of the year		50,4	36,4
Effect of movements in exchange rates on cash held		0,2	(2,1)
Cash and cash equivalents, end of the year		47,0	50,4

Notes

1. Corporate Information
2. Significant accounting policies
3. Critical accounting estimates and judgements
4. Revenue
5. Staff costs
6. Share based payments
7. Amortisation, depreciation, and impairment
8. Fees to the appointed auditor
9. Finance costs, net
10. Income tax
11. Proposed distribution of loss
12. Intangible assets
13. Property and equipment
14. Deferred tax
15. Trade receivables
16. Leases
17. Share capital
18. Borrowings
19. Related parties
20. Commitments and contingent liabilities
21. Financial risk management
22. Events after the balance sheet date

Notes

Consolidated Financial Statements

1. Corporate information

Sitecore Corporation A/S was founded on 26 April 2001. To effect an investment by EQT into Sitecore, Sitecore Holding II A/S was created on 18 April 2016 and acquired a 100% interest in Sitecore Corporation A/S on 10 May 2016 through a wholly owned subsidiary, Sitecore Holding III A/S. The consolidated accounts include all subsidiaries in which Sitecore Holding II A/S directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling interest.

The consolidated financial statements of Sitecore Holding II A/S and its subsidiaries (collectively the Group) for the year ended 30 June 2024 were authorized for issue in accordance with a resolution of the board of directors on 31 October 2024.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and additional Danish disclosure requirements applying to entities of reporting class C (large).

The annual report is prepared according to standards and interpretations effective for the financial year beginning on 1 July 2023. No standards or interpretations have been adopted early.

The accounting policies used in the preparation of the financial statements are consistent with those of last year, except changes made on classifications of prior year notes to comply with current year presentations.

The Financial Statements have been prepared under the historical cost method, except for the measurement of certain financial instruments at fair value and lease liabilities, which are measured at present value.

2.2 Applying materiality

When preparing the annual report, management seeks to improve the value of the information in the report by focusing on information that will help the understanding of Sitecore's performance in the reporting period and the financial position at year-end. The focus is on presenting information that is considered of material importance for our stakeholders, rather than generic descriptions.

Disclosures that are required by IFRS are included in the annual report, unless the information is considered of immaterial importance to users of the annual report.

Materiality is not applied for items where disclosures are required for control purposes.

2.3 Basis of consolidation

Consolidated subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power to direct the activities of the entity. The Group re-assesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and will be deconsolidated from the date that control ends.

On consolidation, elimination is made of intra-group income and costs, shareholdings, intra-group balances and dividends, and realised and unrealised profits or losses on transactions between the consolidated companies.

2.4 Summary of significant accounting policies

2.4.1 Foreign currency translation

The financial statements are presented in Euros (EUR), due to the Group's international activities. The financial statements have been rounded to the nearest hundred thousand unless otherwise noted.

Items in the financial statements of each subsidiary of the Group are measured in the currency of the primary economic environment in which the entity operates (the functional currency). We translate assets and liabilities of foreign subsidiaries with functional currencies other than Euro at exchange rates in effect at the balance sheet date. We translate revenue and expenses at the monthly average exchange rates. Accumulated net translation adjustments are included in stockholders' equity as Reserve for exchange rate translation.

2.4.2 Revenue from Contracts with Customers

Classes of 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).

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.

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.

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.

Contract balances

Contract assets represent revenue recognised for contracts that have not yet been invoiced to customers, typically for multi-year arrangements. Contract assets are transferred to receivables when the rights become unconditional, generally this occurs when the Group issues an invoice to the customer.

Contract liabilities primarily reflect invoices due or payments received in advance of the Group transferring the good or service to the customer. 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.

Costs to obtain a contract

The Group 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 Group 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.

2.4.3 Operating expenses

Operating costs are allocated into cost of sales, sales and marketing, general and administrative, and research and development expenses.

Cost of sales includes third-party royalty and cloud hosting costs associated with our subscription offerings, salaries and related expenses of network operations, implementation, technical support personnel, and allocated overhead.

Sales and marketing expenses include costs associated with sales, marketing and product marketing personnel and consist of compensation and benefits, partner and sales commissions and bonuses, share-based compensation costs, depreciation and amortisation, promotional and advertising expenses, travel and entertainment expenses related to these personnel and allocated overhead.

General and administrative expenses include costs for executive, finance, human resources, information technology, legal and administrative support functions. This includes compensation and benefits, share-based compensation, professional services, depreciation and amortisation costs, and allocated overhead. Expenses are recognized in the accounting period in which they are incurred.

Research and development expenses include costs associated with the development of new products, enhancements of existing products for which technological feasibility has not been achieved and quality assurance activities. This includes compensation and benefits, share-based compensation costs, consulting costs, depreciation and amortisation costs, the cost of software development tools and equipment.

2.4.4 Financial income and expenses

Financial income and expenses comprise interest income and expenses, realized and non-realized capital gains/losses on derivatives and transactions in foreign currency, amortisation of financial assets and liabilities, etc. Interest earned is reported using the effective interest method.

2.4.5 Income tax and deferred tax

The Group is part of the mandatory joint taxation scheme in Denmark which covers parent company Sitecore Holding II A/S and the Danish subsidiaries. The Danish income tax payable is allocated between the jointly taxed

Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits).

The jointly taxed companies are taxed under the Danish tax payment scheme. Additions, deductions, and allowances are recognised under financial income or financial costs.

The income tax expense or credit for the period is the tax effect on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses/credits.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the parent company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates, and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and that there is sufficient taxable profit available, against which the temporary difference can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Our tax positions are subject to income tax audits by multiple tax jurisdictions throughout the world. An uncertain tax position arises when there is uncertainty over whether the approach we have applied will be accepted by the tax authority. IFRIC 23 requires consistent judgments and estimates to be applied to current and deferred taxes. The judgments and estimates made to recognize and measure the effect of uncertain tax treatments are also reassessed whenever circumstances change or when there is new information that affects those judgments. Although we believe we have adequately provided for the uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different.

We adjust these allowances when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on our consolidated financial statements.

2.4.6 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities, and contingent liabilities of the acquiree.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGU), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.4.7 Intangible Assets

Acquired intangible assets other than goodwill comprise acquired customer contracts, technology, customer base, and brand. At initial recognition, intangible assets acquired in a business combination are recognized at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses.

Intangibles assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are amortized on a straight-line basis over their estimated useful lives, as follows:

- Acquired customer relationships: 3–20 years
- Acquired technology: 3–9 years
- Acquired brand portfolio: 2–20 years
- Patents, trademarks, and product rights: 5 years

In the course of performing the annual assessment for FY24, we concluded that the useful life of certain customer relationships should be shortened to align with customer churn experienced. The remaining customer relationships intangible asset carrying value will be amortized over the new useful life prospectively in accordance with IAS 38.

Development costs are recognized as intangible assets when they are related to clearly defined and identifiable products and processes, for which the technical rate utilization, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to develop, market or apply the product or process in question. Development costs which do not meet these criteria are recognized as an expense in the income statement as incurred.

The cost of development projects includes salaries, benefits, and direct costs that are directly attributable to the development projects.

Internal development projects are amortized on a straight-line basis over their estimated useful lives, typically 3 years. Amortisation begins when the development project is at a stage where its commercial potentials can be utilized in the manner intended by management.

2.4.8 Impairment of non-financial assets, other than Goodwill

Intangible assets that have an indefinite useful life and intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less cost of disposal, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent

cash inflows. Prior impairment of non-financial assets (other than goodwill) is reviewed for possible reversal at each reporting date.

2.4.9 Tangible assets

Property and IT equipment, Leasehold improvements, and Other operating equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation on these assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Property and IT equipment: 1-4 years
- Leasehold improvements: Shorter of 5 years or lease term
- Other operating equipment: 2-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses arising from disposal of tangible assets are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. Gains and losses are recognised in the profit and loss account under the relevant category.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified.

2.4.10 Leases

Leased assets are capitalised at the commencement date of the lease and comprise of the initial lease amount, initial direct costs incurred when entering into the lease less any incentives received and estimate of costs expected to be incurred by the lessee in dismantling and removing the asset.

An impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use lease asset that is impaired.

The lease liability is measured at the present value of the fixed and variable lease payments net of cash lease incentives that are not paid at the balance sheet date. Lease payments are apportioned between the finance charges and a reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the lease liability. Lease payments for buildings exclude service fees for cleaning and other costs.

Lease modifications are accounted for as a new lease with an effective date of the modification.

Leasehold deposits are initially recognised at the value paid to the landlord. Deposits are subsequently measured at net realizable value based on the amount the Group expect to receive at the end of the lease.

2.4.11 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 Group 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.

2.4.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds and the redemption value are recognised in the income statement over the period of the borrowings using the effective interest method.

If a modification in borrowings occurs, the Group will assess whether the treatment of the modification should be an extinguishment of old borrowings and issuance of new borrowings or loan modification to existing borrowings. The discounted present value of the remaining cash flows of the original borrowings is calculated to perform the assessment. Gains or losses are recognized and adjustments are made to the amortized cost of the financial liabilities, as needed.

2.4.13 Share-based payment

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the equity grant is recognised as an expense and credited to Other Reserves equity account. The total amount to be expensed is determined by reference to the grant date fair value of the equity award.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The Group also operates a cash-settled, share-based compensation plan, under which the entity receives services from employees as consideration for grants tied to the equity value of the Group that the Group intends to settle in cash. The fair value of the Group's obligations under this plan is calculated at the end of the period and recorded as an expense and credited as a liability.

2.4.14 Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

2.4.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and other short-term highly liquid investments with original maturities of three months or less. As of 30 June 2024, cash and cash equivalents is composed entirely of cash accounts at banks.

2.5 New and amended standards and interpretations

There are no new IFRS or IFRIC interpretations effective as of July 1, 2024 that have a material impact on the Group.

2.6 New standards and interpretations not yet effective

There are no IFRS or IFRS Interpretations Committee ("IFRIC") interpretations that are not effective that are expected to have a material impact.

3. Critical accounting estimates and judgements

Management makes estimates, and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates, and assumptions made are based on historical experience and other factors that management considers to be reliable, but which by their very nature are associated with uncertainty and

unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates, and assumptions for the individual items are described below.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

3.1 Revenue recognition

Revenue recognition requires management to make judgements 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 follows:

- Assessing whether it is probable that the consideration from contract with clients will be collected requires judgement and might impact the timing and amount of revenue recognition.
- Establishing whether distinct goods or services are considered to be separate performance obligation requires judgement and might impact the timing and amount of revenue recognition.
- Determining whether the Group is a principal or agent for a given contract.
- Evaluating whether a change in terms, conditions, or other aspects of the contract result in a contract modification.
- The allocation of total transaction fee of a client contract to the distinct deliverables requires judgment in determining standalone selling price and an apportionment which reflects the fair value measurement of each performance obligation. This may impact the timing and amount of revenue recognised.
- 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.
- Calculation of revenue based on percentage of completion method for consulting projects requires significant judgment in estimating budgeted time. We use prior history with similar projects when estimating total budgets required to deliver a consulting service.
- Significant judgment is required in determining if options to purchase software or services at a price defined in current contracts represent 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 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.

3.2 Provision for expected credit losses of trade receivables and contract assets

Trade receivables and contract assets consist of sale of SaaS, subscriptions, licenses, maintenance, cloud, and services to customers and have similar risk profiles. Provisions for bad debt are made in accordance with the simplified expected credit loss model, considering Sitecore's credit policy and debt collection procedures.

The provision is initially based on the Group's historical observed default rates to determine expected loss ratios for ageing buckets, which are reassessed at least annually. An additional specific provision is assessed, as needed, to adjust the expected credit loss with forward-looking information. For example, if a specific customer exists where we are aware of financial difficulties, or cases where a balance is outstanding for a significant length of time, an additional provision amount may be captured.

The assessment of the expected loss ratios and forecasted future economic conditions are significant estimates. The Group's historical credit loss experience, driving the expected loss ratios may not be representative of customer's actual default in the future. The forecast of economic conditions may also not be representative of customer's actual default in the future.

Refer to note 15 for additional information on the Group's trade receivables and contract assets.

3.3 Impairment testing of intangible assets, including goodwill

The Group tests for impairment in accordance with the accounting policy stated in note 2. Significant judgments are required in determining the number of CGU's within the Group, the recoverable amount of the CGU (or CGU's), including the use of estimates over future revenue, cash flows, discount rates, and valuation multiples (note 12).

3.4 Development projects

For development projects in progress, management estimates on an ongoing basis whether each project is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated on technical as well as commercial criteria. Management also uses judgment in determining which costs to include as part of the accounting for the project.

Refer to note 12 for additional information on carrying value and amortisation of development projects.

3.5 Share-based payments

Determination of fair value of the options requires significant judgment regarding fair value of the underlying shares, expected life, and volatility. The expected life of the options is based on the assumption that the holder will exercise the options upon an exit event. Actual exercise patterns may differ from the assumption used herein.

The expected volatility is based on peer group data and reflects the assumption that the historical volatility over a period similar to the life of the equity awards is indicative of future trends, which may not necessarily be the actual outcome. The peer group consists of listed companies that management believes are similar to the Group in respect to industry and stage of development.

Fair value of the options issued, assumptions applied regarding the valuation, and additional information on expenses recorded are disclosed in note 5.

3.6 Deferred Tax Assets

A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Management regularly review the deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. Management's judgment regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute our business plans and tax planning strategies.

3.7 Uncertain Tax Positions

Our tax positions are subject to income tax audits by multiple tax jurisdictions throughout the world. An uncertain tax position arises when there is uncertainty over whether the approach, we have applied will be accepted by the tax authority. IFRIC 23 requires consistent judgments and estimates to be applied to current and deferred taxes. The judgments and estimates made to recognize and measure the effect of uncertain tax treatments are also reassessed whenever circumstances change or when there is new information that affects those judgments. Although we believe we have adequately provided for the uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We adjust these allowances when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on our consolidated financial statements.

4. Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers. The Group does not disclose segment information because the Group operates as a single operating unit.

Classification	2023/24 €M	Share of Revenue	2022/23 €M	Share of Revenue
License*	114,0	26%	125,6	29%
Maintenance	101,8	23%	110,4	25%
SaaS and cloud	180,6	41%	150,5	35%
Services and other	48,3	11%	48,4	11%
Total revenue	444,7		434,9	

*License includes both term license and perpetual license revenues. Perpetual license revenues were EUR 3,0m and EUR 1,9m for fiscal 2024 and 2023, respectively.

Timing of Revenue Recognition	2023/24 €M	Share of Revenue	2022/23 €M	Share of Revenue
At a point in time	114,0	26%	125,6	29%
Ratably over the contract term	305,0	69%	282,3	65%
Over time as SaaS/cloud services are provided	25,7	6%	27,0	6%
Total revenue	444,7		434,9	

Significant changes in the contract assets and the contract liabilities balances are as follows in the table below:

Changes in Contract Assets and Liabilities	Contract Assets €M	Contract Liabilities €M
30 June 2023	54,9	155,4
Amount transferred to trade receivables from contract assets	(49,6)	—
Contract assets additions	37,9	—
Performance obligations satisfied during the period that were included in the contract liability balance at the beginning of the period	—	(147,9)
Increases due to invoicing prior to satisfaction of performance obligations	—	167,2
30 June 2024	43,2	174,7

The Group records a provision for credit risk associated with contract assets in accordance with the expected loss matrix in note 15.

Remaining performance obligations

Remaining performance obligations represent contracted revenue that has not yet been recognised and amounts that will be invoiced and recognised as revenue in future periods. As of 30 June 2024, the Group's remaining performance obligations were EUR 483,5m (30 June 2023: EUR 437,9m), approximately 56% (30 June 2023: 56%) of which it expects to recognize as revenue over the next 12 months and the remaining balance thereafter.

Deferred contract costs

During the year ended 30 June 2024, the Group had a total of EUR 46,0m (30 June 2023: EUR 44,5m) of contract costs recorded as deferred expenses, of which EUR 44,5m related to open contracts as of 1 July 2023 (30 June 2023: EUR 35,7m related to contracts as of 1 July 2022). For the year ended 30 June 2024, amortisation associated with the assets arising from contract costs was EUR 27,7m (30 June 2023: EUR 25,7m).

5. Staff costs

	2023/24	2022/23
	€M	€M
Wages and salaries	210,2	241,3
Pensions, defined contribution plans	7,2	8,1
Share based payments (note 6)	(1,8)	11,5
Social costs	22,2	24,5
Other staff costs	28,4	23,0
Total staff cost	266,2	308,4
Average number of full-time employees	1.756	1.874

Staff costs recognised in the income statement:	2023/24	2022/23
	€M	€M
Cost of sales	28,1	32,3
Sales and marketing costs	109,1	134,8
General and administrative expenses	38,3	44,2
Research and development costs	61,7	64,4
Total	237,2	275,7

Staff costs capitalized through R&D:	2023/24	2022/23
	€M	€M
Development projects	9,0	7,7

Staff costs capitalized through deferred expenses:	2023/24	2022/23
	€M	€M
Costs to obtain a contract	20,0	25,0

Key management compensation

Key management includes Board of Directors (BoD) and Executive Management (EM). EM includes members of the Executive Board. The compensation paid to key management for employee services is shown in the following table:

	2023/24	2023/24	2022/23	2022/23
	€M	€M	€M	€M
	BoD	EM	BoD	EM
Wages and salaries	0,8	3,1	0,4	3,2
Share based payments (note 6)	—	0,5	0,3	1,8
Total key management compensation	0,8	3,6	0,7	5,0

6. Share-based payments

Share-based payments

Share-based payments to employees are made by the Group under a Share Option incentive plan, a Management Incentive Program ("MIP"), and an Employee Incentive Plan ("EIP"). The Share Option plan is a performance-based plan wherein certain employees are offered Class A share options subject to certain vesting conditions. The MIP is a co-investment plan wherein key employees make a personal investment in the Group by purchasing restricted Class A or B shares which are subject to a repurchase option at a price determined based upon certain conditions.

The EIP is an incentive program where the Group, upon the event of a sale or IPO, will pay a bonus to the employee based on the number of options held, up to a pre-defined cap. Share Option grants, MIP investments, and EIP grants fully vest upon an IPO or change in control as defined in the plan documents.

Share Option Plan

Share Options are granted to employees under the 2016 Global Share Incentive Plan. Option grants are subject to continued employment with 50% designated as Time Options that vest over five years (1/5th vest on each anniversary of the grant date), and 50% designated as Performance Options that vest subject to the Group's sponsor achieving a certain rate of return on investment. Unexercised options expire 10 years from the grant date.

The grant date fair value of Time Options was determined utilizing a Black Scholes Option Pricing Model. The grant date fair value of Performance Options was determined using a Monte Carlo simulation model.

The fair value calculation of the options requires the input of subjective assumptions such as:

- The share price based on the most recent semi-annual valuation performed by an external valuation firm.
- The expected life of options is based on Management's expectation of future exercises
- The expected volatility is based on a peer group analysis of publicly listed companies comparable to Sitecore
- The risk-free rate is based on interpolated U.S. Treasury yields corresponding to the assumed term
- Dividend Yield: The expected dividend yield is assumed to be 0.0% as the Group does not anticipate paying dividends in the foreseeable future

Share Options	2023/24	2022/23
Granted during the year	465.000	3.025.000

Assumptions applied	2023/24	2022/23
Share price	EUR 2,13	EUR 2,16
Expected life of options	0,6	1,53
Expected volatility	47.0%	67%
Risk free interest rate	5.4%	4%
Expected dividend	0%	0%

Each Share Option grants the holder the right to buy one share of Class A common stock at the stated exercise price, which is equal to the Class A share price at the time of grant.

Fair value

The total grant date fair value of Time Options totals EUR 11,1m (30 June 2023: EUR 14,8m) while the grant date fair value of Performance Options totals EUR 4,9m (30 June 2023: EUR 9,7m). The prior year balances in the table below have been revised to ensure classification of awards aligns with current year for consistency. Board of Directors and Executive Management represent individuals consistent with the respective groups as defined within this

report. Role changes that occurred during the year for individuals that retained awards are captured within reclassification of employees.

Share Options	Board of Directors	Executive Management	Weighted Average Exercise Price*	Other	Weighted Average Exercise Price	Total
Outstanding as at 30 June 2022	5.967.335	3.500.000	1,72	50.812.988	1,77	60.280.323
Granted during the year	—	—	—	3.025.000	2,16	3.025.000
Exercised during the year	—	—	—	(709.225)	0,97	(709.225)
Reclassification of employees	—	2.000.000	2,14	(2.000.000)	2,14	—
Forfeited during the year	—	—	—	(3.369.141)	2,03	(3.369.141)
Outstanding as at 30 June 2023	5.967.335	5.500.000	1,80	47.759.622	1,77	59.226.957
Granted during the year	—	—	—	465.000	2,13	465.000
Exercised during the year	—	—	—	(227.763)	0,60	(227.763)
Reclassification of employees	(4.077.335)	300.000	1,14	3.777.335	1,14	—
Forfeited during the year	—	—	—	(19.745.625)	2,01	(19.745.625)
Outstanding as at 30 June 2024	1.890.000	5.800.000	2,19	32.028.569	1,55	39.718.569

*Calculated based on the aggregate balances of Board of Directors and Executive Management.

As of year-end, the weighted average remaining contractual life of share options outstanding is 5,65 with an exercise price of EUR 0,35 - 2,45. 19.630.250 options are currently exercisable (30 June 2023: 19.034.608).

Management Incentive Plan (“MIP”)

The MIP is designed to align the performance of the Group with the remuneration of key employees. Under the MIP, employees make a personal investment in the Group by purchasing Class A or Class B shares. Class B shares were added to the plan in FY21.

Under the MIP, Class A shares are subject to a repurchase option at a price equal to original cost if the employee terminates under conditions defined as a Bad Leaver, or at current fair market value if the employee terminates under conditions defined as a Good Leaver. The Good Leaver determination is primarily determined based on whether the employee leaves (a) involuntarily but without cause or (b) voluntarily after an employment of five years or more (three years if shares were issued to holder as part of the purchase consideration in an acquisition).

Class B shares are divided into 50% Time Vesting shares and 50% Performance Vesting shares that vest in the same pattern as the Time Options and Performance Options described above.

There were no new MIP grants issued in FY24 or FY23.

MIP – Class A Shares	Board of Directors	Executive Management	Weighted-Average Exercise Price*	Other	Weighted-Average Exercise Price	Total
Outstanding as at 30 June 2022	68.306	290.697	1,74	24.704.943	1,59	25.063.946
Granted during the year	–	–	–	–	–	–
Reclassification of employees	–	–	–	–	–	–
Buy-back during the year	–	–	–	(124.553)	2,11	(124.553)
Outstanding as at 30 June 2023	68.306	290.697	1,74	24.580.390	1,59	24.939.393
Granted during the year	–	–	–	–	–	–
Reclassification of employees	–	3.404.838	1,82	(3.404.838)	1,82	–
Buy-back during the year	–	–	–	(48.543)	1,03	(48.543)
Outstanding as at 30 June 2024	68.306	3.695.535	1,83	21.127.009	1,43	24.890.850

*Calculated based on the aggregate balances of Board of Directors and Executive Management.

MIP – Class B Shares	Executive Management	Weighted-Average Exercise Price	Other	Weighted-Average Exercise Price
Outstanding as at 30 June 2022	6.200.000	0,43	–	–
Granted during the year	–	–	–	–
Buy-back during the year	–	–	–	–
Outstanding as at 30 June 2023	6.200.000	0,43	–	–
Granted during the year	–	–	–	–
Reclassification of employees	(6.200.000)	0,43	6.200.000	0,43
Buy-back during the year	–	–	–	–
Outstanding as at 30 June 2024	–	–	6.200.000	0,43

As of year-end, the weighted average remaining contractual life of Class A and Class B shares outstanding are 5,73 and 6,45 , respectively, with an exercise price of EUR 0,43 – 2,14. 5.155.000 grants are current exercisable (30 June 2023: 1.939.802).

Employee Incentive Plan (“EIP”)

Grants made under the EIP only vest in the event of an exit, through a sale or an IPO, meeting a specific financial valuation and only provided that the select employee is employed with the Group at the relevant time of exit. Provided the conditions are met, the Group will pay a cash bonus to the employee based on the number of incentive options held, up to a pre-defined cap. In the event an employee leaves the Group prior to an exit, all incentive options are cancelled with no compensation.

There were no EIP grants made to members of the Board of Directors or to Executive Management.

EIP	2023/24	2022/23
Granted during the year	5.017.088	1.152.158

Assumptions applied at:	30 June 2024	30 June 2023
Share price	EUR 0,96	EUR 2,01
Expected life of options	2,5	1,0
Expected volatility	60%	65%
Risk free interest rate	4,5%	5%
Expected dividend	0%	0%

EIP	Grants	Weighted-Average Exercise Price
Outstanding as at 30 June 2022	34.711.049	2,45
Granted during the year	1.152.158	2,07
Forfeited during the year	(8.247.987)	2,45
Outstanding as at 30 June 2023	27.615.220	2,44
Granted during the year	5.017.088	2,13
Forfeited during the year	(10.948.552)	2,41
Outstanding as at 30 June 2024	21.683.756	2,39

As of year-end, the weighted average remaining contractual life of shares outstanding is 8,1 with an exercise price of EUR 2,01 - 2,45.

Forfeits of grants and changes in assumptions applied during the fiscal year have resulted in a net reversal of expense in the current year. Share based compensation expense/(reversal) is recognized in the income statement as follows:

	2023/24	2022/23
	€M	€M
Sales and marketing costs	(1,6)	6,6
General and administrative expenses	(0,5)	3,4
Research and development costs	0,3	1,5
Total share-based compensation	(1,8)	11,5

7. Amortisation, depreciation, and impairment

	2023/24	2022/23
	€M	€M
Amortisation of intangible assets	30,5	34,7
Depreciation on property and equipment	3,3	4,4
Depreciation on right-of-use asset	6,8	8,9
Impairment of intangible assets	—	12,4
Total amortisation, depreciation, and impairment	40,6	60,4

Amortisation, depreciation and impairment are recognised in the income statement:

Cost of sales	4,2	6,6
Sales and marketing costs	15,6	21,3
General and administrative expenses	9,9	25,6
Research and development costs	10,9	6,9
Total amortisation, depreciation and impairment	40,6	60,4

8. Fees to the appointed auditor

	2023/24	2022/23
	€M	€M
Statutory audit	0,7	0,9
Other assurance engagements	0,2	0,1
Total audit fees	0,9	1,0

9. Finance costs, net

	2023/24	2022/23
	€M	€M
Interest expense	91,7	64,6
Amortisation of financing fees	2,9	2,1
Fees from extinguishment of debt	5,1	—
Other finance costs, including bank fees	0,6	0,9
Interest on leases	1,0	0,9
Exchange rate adjustments, expenses	(0,8)	0,2
Fair value loss/(gain) of interest rate swaps	1,6	(3,8)
Interest income, external	(0,8)	(1,2)
Total finance costs, net	101,3	63,7

10. Income tax

	2023/24	2022/23
	€M	€M
Current tax:		
Current tax on profits for the year	5,3	14,9
Current tax on profits for previous years	0,7	2,5
Total current tax expense	6,0	17,4
Deferred tax:		
Deferred tax benefit for the year and previous years	(4,3)	(14,9)
Deferred tax charge/(benefit) as a result of tax rate changes	0,2	1,7
Total deferred tax	(4,1)	(13,2)
Income tax expense for the period	1,9	4,2
Income tax benefits are specified as follows:		
Calculated 22,0% tax on profit for the year before income tax	(19,8)	(32,2)
Tax effects of:		
Higher/Lower tax rate in subsidiaries	2,4	5,9
Non-deductible finance expenses	9,5	4,1
Non-deductible expenses	2,5	0,2
Adjustments in respect of prior years	0,7	2,6
Tax losses not recognized	9,0	22,9
Non-deductible earn out expenses	—	0,8
Other	(2,4)	(0,1)
Total income tax expense for the period	1,9	4,2
Effective tax rate	(2,1)%	(2,9)%

Non-deductible finance expenses relate to costs which are not deductible under the Danish interest ceiling rules.

Non-deductible expenses include non-deductible meals and entertainment and non-deductible legal and professional fees.

Tax losses not recognized relate to EUR 1.5M losses generated in Ireland and EUR 10.3M in the United States during the current period for which a deferred tax asset is not recognized. Irish tax losses can be carried forward indefinitely. United States can be carried forward indefinitely if they were incurred 1 July 2019 or later. The company has acquired losses that are limited in the United States.

Management concluded the previously recognized prior year tax losses and previously recognized deductible temporary differences cannot be realised in the United States. This is due to current and forecasted income is not sufficient and it is not certain that suitable taxable profits will exist in future years against which this deferred tax asset may be offset.

Recognition of Uncertain Tax Positions relates to the recognition of a potential exposure pursuant to IFRIC 23.

Non-deductible earn-out expenses related to non-deductible contingent consideration, related to the acquisitions are not considered to be part of the purchase price consideration.

11. Proposed distribution of loss

	2023/24	2022/23
	€M	€M
Retained earnings	(91,9)	(150,5)

12. Intangible assets

Cost:

	Goodwill	Acquired technology	Acquired customer relationships	Acquired brand portfolio	Patents, trademarks & product rights	Internal development projects	Internal development projects in progress	Total
	€M	€M	€M	€M	€M	€M	€M	€M
At 01.07.2022	1.004,8	157,0	238,1	69,5	3,1	38,7	3,8	1.515,0
Additions during the year	—	—	—	—	—	—	12,8	12,8
Transfers to completed development projects	—	—	—	—	—	16,1	(16,1)	—
Effect of movements in exchange rates	(5,2)	(1,5)	0,1	(0,1)	—	(1,0)	0,8	(6,9)
At 30.06.2023	999,6	155,1	238,2	69,4	3,1	53,8	1,3	1.520,5

Amortisation and impairment:

	Goodwill	Acquired technology	Acquired customer relationships	Acquired brand portfolio	Patents, trademarks & product rights	Internal development projects	Internal development projects in progress	Total
	€M	€M	€M	€M	€M	€M	€M	€M
At 01.07.2022	—	110,5	71,7	20,0	3,1	28,8	—	234,1
Amortisation charge	—	6,7	12,3	8,9	—	6,8	—	34,7
Impairment	—	12,4	—	—	—	—	—	12,4
Effect of movements in exchange rates	—	(0,2)	(0,2)	(0,2)	—	—	—	(0,6)
At 30.06.2023	—	129,4	83,8	28,7	3,1	35,6	—	280,6
Carrying amount 30.06.2023	999,6	25,7	154,4	40,7	—	18,2	1,3	1.239,9

Cost:

	Goodwill	Acquired technology	Acquired customer relationships	Acquired brand portfolio	Patents, trademarks & product rights	Internal development projects	Internal development projects in progress	Total
	€M	€M	€M	€M	€M	€M	€M	€M
At 01.07.2023	999,6	155,1	238,2	69,4	3,1	53,8	1,3	1.520,5
Additions during the year	–	–	–	–	–	13,1	0,6	13,7
Transfers to completed development projects	–	–	–	–	–	1,2	(1,2)	–
Disposals	–	–	–	–	–	(1,0)	–	(1,0)
Effect of movements in exchange rates	2,0	0,3	0,2	–	–	0,1	–	2,6
At 30.06.2024	1.001,6	155,4	238,4	69,4	3,1	67,2	0,7	1.535,8

Amortisation and impairment:

	Goodwill	Acquired technology	Acquired customer relationships	Acquired brand portfolio	Patents, trademarks & product rights	Internal development projects	Internal development projects in progress	Total
	€M	€M	€M	€M	€M	€M	€M	€M
At 01.07.2023	–	129,4	83,8	28,7	3,1	35,6	–	280,6
Amortisation charge	–	4,5	12,4	3,6	–	10,0	–	30,5
Disposals	–	–	–	–	–	(1,0)	–	(1,0)
Effect of movements in exchange rates	–	0,2	0,2	(0,2)	–	–	–	0,2
At 30.06.2024	–	134,1	96,4	32,1	3,1	44,6	–	310,3
Carrying amount 30.06.2024	1.001,6	21,3	142,0	37,3	–	22,6	0,7	1.225,5

Impairment test for goodwill

Goodwill is monitored by management at group level. Goodwill and acquired intangible assets relate to prior acquisitions completed by the Group.

The Group tests whether goodwill has suffered any impairment on an annual basis. The Group operates and is financially monitored as one CGU and there is no allocation of goodwill. As of 30 June 2024, the carrying value of goodwill for the Group's single CGU was EUR 1.001,6m (30 June 2023: EUR 999,6m)

For the year ended 30 June 2024, an assessment was completed and management did not identify any impairment for goodwill or intangible assets during the annual assessment.

Impairment testing at 30.06.2024

For the year ended 30 June 2024, the recoverable amount of the CGU was determined based on an average of the Discounted Cash Flow and Guideline Public Company methods.

The key assumptions used in the estimation of value in use were as follows:

Discounted cash flow method

Assumptions	FY24*	FY23
Revenue CAGR	8,6%	13,7%
Long term growth rate	3,0%	3,0%
Pre-tax discount rate	17,6%	14,3%
Average EBITDA margin	26,5%	17,2%

* In previous years the Group leveraged a ten-year forecast in its DCF. For FY24, the Group updated its methodology to use forecasted cash flow for a five-year period, after which a residual free cash flow value is calculated. A long-term growth rate into perpetuity after the five-year period has been determined to reflect estimated GDP rates for the countries in which the Group operates.

The discount rate used in determining the value in use is based on the rate of 20-year US Treasury bonds, adjusted for a risk premium that reflects the increased risk associated with investing in equities generally, the countries in which the Group operates, and factors such as size and the rate of growth of the Group. The increase in the discount rate was due to a 0,6% increase in the risk-free rate of return, a 2,5% increase in the company-specific risk premium, 0,9% due to an increase in the Equity Beta, offset by a decrease in credit spreads and an adjustment in the assumed capital structure of the Group, in line with its increase in debt as compared to equity in FY23.

Revenue CAGR decreased as compared to FY23 to reflect slower growth over the forecast period, consistent with management's updated assumptions for a path of profitable growth. Average EBITDA margin increased from the prior year to reflect the Group's leverage of the previous years' investments and various cost savings initiatives put in place in FY24. The Group regularly updates its outlook and financial forecasts to reflect current and changing economic conditions.

Guideline public company method

Input	FY24	FY23
Revenue Multiple of next fiscal year net sales	3,15x	4,75x
Revenue Multiple of next fiscal year + 1 net sales	2,75x	3,75x
EBITDA Multiple of next fiscal year net sales	18,30x	N/A
EBITDA Multiple of next fiscal year + 1 net sales	11,09x	N/A

The guideline public company method multiplies historical and anticipated financial metrics of the Group by multiples derived from an analysis of comparable publicly traded companies. When selecting appropriate multiples, factors such as industry, financial size, historical and projected growth, risk, and profitability are considered. In FY24, the Group updated its methodology to include EBITDA multiples as part of its assessment.

Sensitivity analysis

The following table shows the amount or percentage points by which assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Sensitivity Input	FY24	FY23
Revenue CAGR (1)	(3,1)% points	(7,8)% points
Long term growth rate (2)	(4,5)% points	(20,1)% points
Pre-tax discount rate	3,0% points	7,3% points
Average EBITDA margin	(5,9)% points	(11,3)% points
Revenue Multiple of next fiscal year net sales	(0,8x)	(2,2x)
Revenue Multiple of next fiscal year + 1 net sales	(0,6x)	(1,4x)
EBITDA Multiple of next fiscal year net sales	(8,0x)	N/A
EBITDA Multiple of next fiscal year + 1 net sales	(2,3x)	N/A

(1) Sensitivity calculations for Revenue CAGR include derived effect on correlated costs.

(2) The Company used a 5-year forecast in FY24, as compared to a 10-year forecast in FY23. Holding other variables constant, this change has made the valuation model more sensitive this input.

The Group had no accumulated goodwill impairment losses at the beginning of the period. As a result of the analysis performed at the end of the period, the estimated recoverable amount is greater than the carrying value and management did not identify an impairment for the Group's goodwill as of the end of the reporting period (30 June 2023: EUR 0,0m). Management identified an impairment of certain acquired brand intangible assets totalling 0,0m as of the end of the reporting period (30 June 2023: EUR 12,4m).

13. Property and equipment

Cost:

	Property and IT Equipment	Other operating equipment	Construction in progress	Total
At 01.07.2022	10,5	12,7	0,1	23,3
Additions during the year	0,5	0,5	0,9	1,9
Transfer	—	1,0	(1,0)	—
Disposals during the year	(0,1)	(0,1)	—	(0,2)
Effect of movement in exchange rates	(0,4)	(0,7)	—	(1,1)
At 30.06.2023	10,5	13,4	—	23,9

Depreciation:

	Property and IT Equipment	Other operating equipment	Construction in progress	Total
At 01.07.2022	7,1	8,2	—	15,3
Depreciation charge	1,7	2,7	—	4,4
Reversed depreciation, disposed assets	—	(0,1)	—	(0,1)
Effect of movement in exchange rates	(0,4)	(0,4)	—	(0,8)
At 30.06.2023	8,4	10,4	—	18,8
Carrying amount 30.06.2023	2,1	3,0	—	5,1

Cost:

	Property and IT Equipment	Other operating equipment	Construction in progress	Total
At 01.07.2023	10,5	13,4	0,0	23,9
Additions during the year	0,7	0,5	0,2	1,4
Transfer	—	0,2	(0,2)	0,0
Disposals during the year	(0,2)	(5,6)	—	(5,8)
Effect of movement in exchange rates	—	(0,1)	—	(0,1)
At 30.06.2024	11,0	8,4	—	19,4

Depreciation:

	Property and IT Equipment	Other operating equipment	Construction in progress	Total
At 01.07.2023	8,4	10,4	—	18,8
Depreciation charge	1,6	1,7	—	3,3
Reversed depreciation, disposed assets	(0,1)	(5,5)	—	(5,6)
Effect of movement in exchange rates	—	(0,1)	—	(0,1)
At 30.06.2024	9,9	6,5	—	16,4
Carrying amount 30.06.2024	1,1	1,9	—	3,0

14. Deferred tax

	2023/24	2022/23
	€M	€M
Deferred tax, beginning of year	36,0	49,3
Deferred taxes added as a result of benefit from uncertain tax position	1,0	(0,9)
Deferred tax related to share-based compensation	5,0	4,8
Deferred tax recognized in the income statement	(10,3)	(17,2)
Deferred tax at end of year	31,7	36,0

Deferred tax relates to:

Intangible assets	16,6	30,2
Property and equipment	3,0	0,4
Contract assets and contract liabilities	0,4	2,2
Tax loss carry-forwards	(30,8)	(34,6)
Right-of-use assets	1,6	1,2
Lease liabilities	(1,2)	(0,6)
Accrued and other payables	(2,6)	(2,8)
Share-based compensation	—	(5,0)
Disallowed interest	(21,1)	(11,1)
Prepaid and deferred expenses	4,5	3,7
Other temporary differences	—	(1,4)
Gross deferred taxes before valuation allowance	(29,6)	(17,8)
Valuation allowance on deferred tax assets	61,3	53,8
Net deferred taxes	31,7	36,0
Of which presented as deferred tax assets	1,4	2,5
Of which presented as deferred tax liabilities	33,1	38,5
Total	31,7	36,0

As part of the adoption of IFRIC 23 in FY20, the Group recognized a portion of deferred tax asset related to Intangible Amortization. In FY22, Management concluded the previously unrecognized deferred tax asset related to Intangible Amortization in relation to IFRIC 23 can be realized. This is due to the forecasted income as a result of the intercompany transfer pricing arrangements in its operating model effective on 1 July 2021 and forward. As part of the adoption of IFRS 15 in FY20 the Group has recognized deferred tax liabilities related to the Contract Cost and Contract Liability balances. The Company has not recognized a deferred tax asset of EUR 11.6M and 1.2M on its carried forward tax losses and temporary items, respectively, in Ireland as there is no sufficient certainty that suitable taxable profits will exist in future years against which this deferred tax asset may be offset. In Ireland, unused tax losses may be carried forward indefinitely. The Company has not recognized a deferred tax asset of EUR 18.7M and EUR 29.8M on its carried forward tax losses and deferred tax assets related to temporary items in United States, respectively. There is not sufficient certainty that suitable taxable profits will exist in future years against which this deferred tax asset may be offset. In the United States, unused tax losses may be carried forward indefinitely.

As part of operating a global business there are inherent risks, one of these risks is that tax authorities may challenge the company's current global operating model, Management believes that the provisions made pursuant to IAS 12 and IFRIC 23 are adequate. Any necessary reserves for uncertain tax positions are properly assessed and reflected on the Company's financials as of the balance sheet date.

15. Trade receivables

The below tables reflect the manner in which receivable and contract asset ageing was reviewed by management during the period. Carrying amounts of trade receivables and contract assets represent a reasonable approximation of fair value.

30.06.2023	Gross balance	Expected loss ratio	Expected loss	Total
	€M		€M	€M
Current	78,8	0,25%	0,2	78,6
0-30 days	19,8	0,50%	0,1	19,7
30-60 days	3,7	1,0%	—	3,7
60-90 days	2,1	2,0%	0,1	2,0
Over 90 days	7,1	10,0%	0,7	6,4
Trade receivables, excluding higher risk	111,5		1,1	110,4
Higher risk trade receivables	2,1	45,0-100%	1,7	0,4
Total trade receivables	113,6		2,8	110,8
Contract assets	55,1	0,3%	0,2	54,9
Total trade receivables and contract assets	168,7		3,0	165,7

30.06.2024	Gross balance	Expected loss ratio	Expected loss	Total
	€M		€M	€M
Current	66,7	0,3%	0,3	66,4
0-30 days	22,3	0,5%	0,2	22,1
30-60 days	4,1	1,0%	0,1	4,0
60-90 days	4,4	2,0%	0,2	4,2
Over 90 days	6,9	10,0%	0,7	6,2
Trade receivables, excluding higher risk	104,4		1,5	102,9
Higher risk trade receivables	3,7	90% - 100%	3,2	0,5
Total trade receivables	108,1		4,7	103,4
Contract assets, excluding higher risk	43,4	0,3%	0,2	43,2
Higher risk contract assets	0,7	90% - 100%	0,7	—
Total trade receivables and contract assets	152,2		5,6	146,6

Movement on the Group provision for impairment of receivables are as follows:	2023/24	2022/23
	€M	€M
Allowances during the year based on expected credit loss model	(2,7)	(2,2)
Write-offs during the year	0,3	0,2
Reversed allowances	(0,2)	—
(Increase)/Decrease of provision for impairment of receivables	(2,6)	(2,0)

16. Leases

The Group leases certain properties that relate to office space. The Group also has lease contracts for vehicles used in its operations. Leases of office space generally have lease terms between 2 and 10 years and leases of vehicles generally have lease terms between 3 and 4 years. The Group currently does not act in the capacity of a lessor.

Right-of-use Assets:	Buildings €M	Vehicles €M	Total €M
At 01.07.2022	17,6	—	17,6
Additions	4,8	1,2	6,0
Modifications	4,3	—	4,3
Depreciation expense	(8,5)	(0,4)	(8,9)
Disposals	(0,8)	—	(0,8)
Effect of movement in exchange rates	(1,9)	(0,4)	(2,3)
At 30.06.2023	15,5	0,4	15,9

Right-of-use Assets:	Buildings €M	Vehicles €M	Total €M
At 01.07.2023	15,5	0,4	15,9
Additions	3,9	0,1	4,0
Modifications	3,0	—	3,0
Depreciation expense	(6,5)	(0,3)	(6,8)
Disposals	(0,2)	(0,1)	(0,3)
Effect of movement in exchange rates	0,4	(0,1)	0,3
At 30.06.2024	16,1	—	16,1

The increase in carrying value of buildings primarily results from additions offset by depreciation expense during the period. The Group has not generated any income from subleasing right-of-use assets during the financial year.

Lease Liabilities:	FY2024	FY2023
Total Lease at beginning of period	16,1	19,2
Additions	6,7	7,2
Principal repayment	(5,8)	(8,4)
Effect of movements in exchange rates	(0,4)	(1,9)
At end of period	16,6	16,1
Non-current	12,0	10,5
Current	4,6	5,6

Undiscounted lease liabilities:	FY2024	FY2023
Payable within 1 year	5,7	5,8
Payable within 2 to 5 years	12,2	8,9
Payable after 5 years	1,6	2,2

The interest expense on liabilities for FY24 is EUR 1,0m (FY23: EUR 0,9m). Expense related to the short-term leases for FY24 is EUR 0,1m (FY23: EUR 0,6m).

17. Share capital

The share capital comprises 788.425.198 Class A shares of a nominal value of EUR 0,01 each and 6.200.000 Class B shares of a nominal value of EUR 0,4258 each, authorised and issued. No shares carry any special rights.

Changes in share capital:	Class A Shares		Class B Shares		Total	
	€M	Number of shares	€M	Number of shares	€M	Number of shares
Share capital at 30.06.2020	7,7	771.499.331	—	—	7,7	771.499.331
Capital increases	0,2	15.085.298	2,6	6.200.000	2,8	21.285.298
Share capital at 30.06.2021	7,9	786.584.629	2,6	6.200.000	10,5	792.784.629
Capital increases	—	1.840.569	—	—	—	1.840.569
Share capital at 30.06.2022	7,9	788.425.198	2,6	6.200.000	10,5	794.625.198
Capital increases	—	—	—	—	—	—
Share capital at 30.06.2023	7,9	788.425.198	2,6	6.200.000	10,5	794.625.198
Capital increases	—	—	—	—	—	—
Share capital at 30.06.2024	7,9	788.425.198	2,6	6.200.000	10,5	794.625.198

The Group acquired 48.543 treasury shares with a nominal value of EUR 2,00 during the period and holds a total of 4.295.521 treasury shares as of 30 June 2024. Shares acquired during the period and held at year end represent 0,01% and 0,5% of total shares outstanding, respectively. The Group did not sell any treasury shares during the period. The total acquisition cost of shares held as of 30 June 2024 is EUR 8,0m. The treasury shares have been acquired via repurchases from former employees pursuant to equity compensation arrangements.

As of 30 June 2024, the Group has EUR 2,0m of unpaid shares separately presented on the balance sheet within equity.

Capital Management

The Group's objectives when managing capital (cash and cash equivalents, and equity) are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce cost of capital. Any surplus liquidity is used to reduce debt. The Board of Directors monitors the share and capital structure to ensure that the Group's capital resources support the strategic goals.

18. Borrowings

The borrowings comprise term loans as well as revolving facilities to fund the ongoing operations. There are covenants attached to the loan facilities. Carrying amount of borrowings represent a reasonable approximation of fair value.

	Principal amount, €M	Effective interest rate	Currency	Maturity	Borrowing amount, 2023/24 €M	Borrowing amount, 2022/23 €M
Facility B	150,0	9.14% (Variable)	EUR	12 March 2026	—	163,8
Facility B	111,3	10.44% (Variable)	USD	12 March 2026	—	131,9
Acquisition Facility	120,0	9.14% (Variable)	EUR	12 March 2026	—	131,0
Acquisition Facility	89,0	10.44% (Variable)	USD	12 March 2026	—	105,1
(Sept 2021) Incremental Acquisition Facility	76,3	10.81% (Variable)	USD	12 March 2026	—	87,0
(July 2022) Incremental Facility	40,0	10.23% (Variable)	EUR	12 March 2026	—	42,1
GS Facility	14,9	7.97% (Variable)	EUR	12 March 2026	—	14,9
2023 Incremental Facility	18,4	13.63% (Variable)	USD	12 March 2026	—	18,4
Revolving Credit Facility	19,5	8.15% (Variable)	EUR	15 September 2028	19,5	24,1
Facility B (EUR)	374,3	11.63% (Variable)	EUR	12 March 2029	386,2	—
Facility B (USD)	327,5	13.06% (Variable)	USD	12 March 2029	339,3	—
Acquisition Facility (USD)	44,0	13.06% (Variable)	USD	12 March 2029	45,6	—
Total bank borrowings					790,6	718,3

Under the Senior Facilities Agreement, the Group can elect to have interest periods of 1, 3 or 6 months. In June 2023, the Group agreed with the lenders that an interest period of 12 months could be selected for one year. A portion of the debt will remain on 1, 3 or 6 month terms for FY24. This interest period election was in place until the refinancing of debt in November 2023. See below for more details of current interest period election.

In June 2023, the Group entered into an incremental term facility whereby it borrowed USD 20m to finance the portion of debt that will be subject to 1, 3 or 6 month interest periods in FY25.

In November 2023, Sitecore undertook a refinancing whereby all existing facilities and accrued interest were subsumed by EUR Facility B, USD Facility B and Acquisition USD 2. The maturity date was extended to March 2029. After November 2023, all facilities have reverted to 1, 3, or 6 months interest periods.

All facilities are repayable in full at the maturity date. Term facilities include a Payment-in-Kind (PIK) provision whereby the borrower can elect at 50% of accrued interest to the principal amount for the initial 24 months of the facility starting on 17 November 2024. The total amount of interest added under the PIK provision in 2023/24 was EUR 55,7m (2022/23 EUR 42,3m).

In compliance with IAS 7, the following disclosure aims to enable users of financial statements to evaluate changes in liabilities arising from repayments and currency revaluations:

	2023/24	2022/23
	€M	€M
Total bank borrowings at beginning of period	723,0	647,7
Repayment of bank debt	(730,1)	(38,0)
Withdrawal of bank debt	741,2	83,1
Payment-in-kind principal accrual	55,7	42,3
Interest accrual	35,3	21,4
Interest paid	(28,4)	(19,5)
Currency revaluations of debt denominated in USD	5,4	(14,0)
Total bank borrowings including interest at end of period	802,1	723,0
Non-current interest payable	—	—
Current interest payable	11,5	4,7
Amortised loan costs	(13,0)	(7,7)
Total Bank Debt as presented in the Balance Sheet at end of period	777,6	710,6
Non-current bank debt	777,6	710,6
Current bank debt	—	—

19. Related parties

For both periods ending 30 June 2024 and 30 June 2023, the Group was controlled by Dynamite Holding I S.á r.l. The Group's ultimate controlling party is EQT VII. "Key management compensation" is disclosed in note 5.

During 2023/24 revenue from other companies within the EQT AB fund structures amount to EUR 1,1m (2022/23: EUR 1,0m). As of the reporting date, receivables from these related parties were EUR 0,7m (30 June 2023: 0,7m).

Unpaid share capital (see note 17) and Contributed capital receivable are amounts due related to an investment by former executive management under the management incentive plan (see note 5). There are no provisions associated with these amounts.

The Group repurchased shares totalling EUR 0,1m from employees during the period (30 June 2023: 0,3m). Notes totalling EUR 5,6m have been written associated with these repurchases and is recorded within Other payables - non current.

20. Commitments and contingent liabilities

Owner's mortgage of EUR 6,0m in:

- Sitecore Corporation A/S, Sitecore Danmark A/S and Sitecore International A/S

The following companies have issued a negative pledge:

- Sitecore International A/S, Sitecore Danmark A/S, Sitecore Corporation A/S, Sitecore UK Ltd., Sitecore USA Inc., Sitecore USA Holding Inc. and Sitecore Australia Pty Ltd.

Pledge of Intellectual properties:

- The Group has pledged its Intellectual properties of EUR 223,9m, net of accumulated amortisation (30 June 2022: EUR 240,3m, net of accumulated amortisation)

The aggregate value of Intellectual properties and financial assets provided as security for credit facilities amount to EUR 847,4m (30 June 2023: EUR 824,0m), including EUR 29,3m of cash (30 June 2023: EUR 35,8m).

Bank Guarantees:

- The Group has issued guarantees with a total value of EUR 0,7m (30 June 2023: EUR 0,8m).

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties. The Group's Danish entities are jointly and severally liable for the joint registration concerning VAT.

21. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (currency and interest risk), credit risk, and liquidity risk. 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 Group 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, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The CFO manages contracts and risk exposures and reports to the board of directors on a regular basis.

Market Risk

Foreign exchange risk

As a consequence of the Group's structure, most net sales and expenditure in foreign currency are set off against each other, so that the Group is not exposed to major exchange-rate risks.

The foreign exchange risk is related to the USD loans.

The Group's revenue and expenses are mostly in the functional currency of the operating entity creating a natural currency hedge. Consequently, the Group treasury's risk management policy is to not to hedge foreign exchange rate risks.

Sensitivity analysis

The Group is primarily exposed to changes in EUR/USD exchange rate. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated financial liabilities.

As at 30.06.2023	Impact on pre tax profit	Impact on other components of equity
	€M	€M
EUR/USD exchange rate – increase 10%	31,6	–
EUR/USD exchange rate – decrease 10%	(38,6)	–

All other variables are held constant

As at 30.06.2024	Impact on pre tax profit	Impact on other components of equity
	€M	€M
EUR/USD exchange rate – increase 10%	35,0	–
EUR/USD exchange rate – decrease 10%	(42,8)	–

All other variables are held constant

Interest rate risk

The Group's interest rate risk arises from long-term borrowings related to the acquisitions and to fund ongoing operations. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. As of 30 June 2024, the Group's bank debt was comprised entirely of variable rate instruments (see note 18).

In November 2024, the Group entered into 2-year interest rate swap agreements with Nordea Bank Abp to hedge against floating rate risk on its long-term borrowings. These swaps are accounted for at fair value with changes in fair value recognized in profit and loss.

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest from borrowings as a result of changes in interest rates.

As at 30.06.2023	Impact on pre tax profit	Impact on other components of equity
	€M	€M
Interest rates – increase by 100 basis points	(7,3)	–
Interest rates – decrease by 100 basis points	7,3	–

All other variables are held constant

As at 30.06.2024	Impact on pre tax profit	Impact on other components of equity
	€M	€M
Interest rates – increase by 100 basis points	(8,0)	–
Interest rates – decrease by 100 basis points	8,0	–

All other variables are held constant

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

For customers individual risk limits are set based on internal or external ratings in accordance with limits set by the board and the utilization of credit limits is regularly monitored. The largest individual customer balance represents 1,8% of outstanding gross Trade Receivable and the total of the largest 10 customer balances represent 11,3% of outstanding gross Trade Receivables. The maximum exposure corresponds to the carrying amount of receivables.

Liquidity risk

Cash flow forecasting is performed on group level by management. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) or any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.

The Group has undrawn revolving credit facilities of EUR 19,8m (30 June 2023: EUR 14,65m) that may be available for future operating activities and to settle capital commitments.

The table below analyses the Group's non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

For floating rate borrowings, the rate at the balance sheet date has been applied.

The primary objective of Sitecore's capital management is to ensure that the Group is able to fulfil all its obligations as set out in the Senior Facilities Agreement. Financial covenants are calculated and reported to the syndicate banks with a compliance certificate on a quarterly basis. The following covenants are tested on a quarterly basis:

- Recurring Revenue Leverage Ratio: Total Net Debt / Annualised Recurring Revenue
- Priority Debt Net Leverage Ratio: Net Priority Secured Debt Total / Cash EBITDA
- Where Cash EBITDA is defined as EBITDA calculated on the basis of billings instead of Revenue from contracts with customers.
- The covenants are all met up to 30 June 2024. Based on current budgets and expectations, the Group anticipates it will continue to be compliant with all covenants throughout FY25.

Note that the Bank debts / Borrowings amounts below include both principal and interest payments due over the periods noted.

As at 30.06.2023	Less than 1 year	1-5 years	>5 years	Total	Carrying Value
	€M	€M	€M	€M	€M
Bank debt and interest payable	78,6	868,6	—	947,2	715,3
Trade payables	50,4	—	—	50,4	50,4
Accrued and other payables	75,7	11,1	—	86,8	86,8
Total	204,7	879,7	—	1.084,4	852,5

As at 30.06.2024	Less than 1 year	1-5 years	>5 years	Total	Carrying Value
	€M	€M	€M	€M	€M
Bank debt and interest payable	50,1	1.209,5	—	1.259,6	789,1
Trade payables	39,2	—	—	39,2	39,2
Accrued and other payables	70,4	10,5	—	80,9	80,9
Total	159,7	1.220,0	—	1.379,7	909,2

22. Events after the balance sheet date

On 30 July 2024, Sitecore shareholders approved a resolution to issue new A-shares with a total subscription amount of EUR 70m. This capital increase was fully paid up and resulted in an increase in Share Capital and Share Premium of EUR 1.0m and EUR 69.0m, respectively.

The Group made the following changes to its leadership subsequent to 30 June 2024:

- Eric Stine hired as COO and appointed to the Group Executive Board.
- Michael Bannon hired as CFO and appointed to the Group Executive Board.
- Constance Lisa Pauline Minc. Choufani appointed to the Board of Directors.

There are no other significant events after the Balance Sheet Date.

Financial Statements of Sitecore Holding II A/S

01.07.2023 – 30.06.2024

Profit and Loss and Other Comprehensive Income (Parent company)

	Note	2023/24 €M	2022/23 €M
General and administrative expenses		(14,4)	(0,9)
Operating loss		(14,4)	(0,9)
Financial income	4	0,8	3,0
Finance costs	5	(0,8)	(0,9)
(Loss) / Profit before income tax		(14,4)	1,2
Income tax (expense)	6	(0,2)	(2,2)
Loss for the period		(14,6)	(1,0)
Comprehensive loss for the period		(14,6)	(1,0)

Balance sheet (Parent company)

	Note	2023/24 €M	2022/23 €M
Assets			
Investment in subsidiaries	7	813,8	817,4
Total financial assets		813,8	817,4
Total non-current assets		813,8	817,4
Receivables from related parties	8	61,0	82,5
Income tax receivable		0,1	–
Prepayments and other receivables		0,1	0,1
Contributed capital receivable		2,0	2,0
Total receivables		63,2	84,6
Total current assets		63,2	84,6
Total assets		877,0	902,0
Equities and Liabilities			
Share capital		10,5	10,5
Unpaid share capital		(2,0)	(2,0)
Share premium		809,6	809,6
Treasury shares		(8,0)	(7,9)
Other reserve		14,5	20,1
Retained earnings		(12,9)	1,7
Total equity		811,7	832,0
Other payables	14	6,0	8,4
Total non-current payables		6,0	8,4
Trade payables	14	1,0	–
Accrued and other payables	14	13,0	0,8
Income tax payable		–	24,5
Payables to related parties		45,3	36,3
Total current liabilities		59,3	61,6
Total liabilities		65,3	70,0
Total equity and liabilities		877,0	902,0

Statement of changes in equity (Parent company)

	Share capital	Reserve for unpaid share capital	Share premium	Retained earnings / (deficit)	Other reserves	Treasury shares	Total
	€M	€M	€M	€M	€M	€M	€M
Equity at 01.07.2022	10,5	(2,0)	809,6	2,7	13,8	(7,6)	827,0
Loss for the period	—	—	—	(1,0)	—	—	(1,0)
Total comprehensive income for the period	—	—	—	(1,0)	—	—	(1,0)
Transactions with owners in their capacity as owners							
Purchase of treasury shares	—	—	—	—	—	(0,3)	(0,3)
Equity-settled share-based payment expense	—	—	—	—	9,4	—	9,4
Equity-settled share-based payment settlements	—	—	—	—	(3,1)	—	(3,1)
Total transactions with owners in their capacity as owners	—	—	—	—	6,3	(0,3)	6,0
Equity at 30.06.2023	10,5	(2,0)	809,6	1,7	20,1	(7,9)	832,0
Loss for the period	—	—	—	(14,6)	—	—	(14,6)
Total comprehensive income for the period	—	—	—	(14,6)	—	—	(14,6)
Transactions with owners in their capacity as owners							
Purchase of treasury shares	—	—	—	—	—	(0,1)	(0,1)
Equity-settled share-based payment expense	—	—	—	—	0,6	—	0,6
Equity-settled share-based payment settlements	—	—	—	—	(2,4)	—	(2,4)
Deferred tax impact on outstanding equity awards	—	—	—	—	(3,8)	—	(3,8)
Total transactions with owners in their capacity as owners	—	—	—	—	(5,6)	(0,1)	(5,7)
Equity at 30.06.2024	10,5	(2,0)	809,6	(12,9)	14,5	(8,0)	811,7

Cash flow Statement (Parent company)

	Note	2023/24 €M	2022/23 €M
Loss for the period		(14,6)	(1,0)
Income tax expenses		0,2	2,2
Non-cash items		0,4	(2,1)
(Increase) / Decrease in receivables from related parties		21,4	(43,8)
Increase / (Decrease) in payables to related parties		(2,8)	15,6
Increase / (Decrease) in income tax payable		—	24,5
Increase / (Decrease) in accrued and other payables		9,8	0,2
Changes in trade payables		1,0	0,2
Cash flows from primary operating activities		15,4	(4,2)
Income taxes (paid) / refunded		(12,9)	7,6
Net cash flow from/(into) operating activities		(12,9)	7,6
Net cash flow from investing activities		—	—
Settlement of share based options		(2,4)	(3,1)
Purchase of treasury shares		(0,1)	(0,3)
Net cash flow from financing activities		(2,5)	(3,4)
Net cash flow for the year		—	—
Cash and cash equivalents, beginning of the year		—	—
Cash and cash equivalents, end of the year		—	—

Notes (Parent company)

1. Accounting policies
2. Critical accounting estimates and judgements
3. Staff costs
4. Financial income
5. Finance costs
6. Income tax
7. Investment in subsidiaries
8. Related parties
9. Commitments and contingent liabilities
10. Events after the balance sheet date
11. Capital management
12. Financial instruments
13. Audit fees
14. Liquidity risk

Notes (Parent company)

1. Accounting policies

The Financial Statements of Sitecore Holding II A/S (“Parent” or “Company”) have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C (large).

The principal activities of the entity is to serve as the ultimate parent for the Group. Ownership of the Group and issuance of share based compensation is managed through the equity of the Company.

The annual report is prepared according to standards and interpretations effective for financial years beginning on 1 July 2023. No standards or interpretations have been adopted early.

The Parent has the same accounting policies for recognition and measurement as the Group. The Parent’s accounting policies deviate from the Group’s accounting policies as described below. For a detailed description of the Group’s accounting policies please refer to the consolidated financial statements, note 2.

Functional and reporting Currency

The financial statements are presented in euros (EUR) and the functional currency of the entity is in EUR, as the Company’s most significant transactions are settled in EUR.

Share-based payment

Fair value of equity instruments granted as share-based payment to employees of subsidiaries is recognized as an investment in the respective subsidiaries and credited to equity.

Investments in subsidiaries

Investments in subsidiaries are measured at cost.

Dividend

Dividends from investments in subsidiaries are recognized in the income statement in the financial year in which the dividend is declared.

2. Critical accounting estimates and judgements

For a description of other significant accounting estimates, assumptions and uncertainties please refer to the consolidated financial statements, note 3.

It is management’s judgement that all critical accounting estimates with respect to the parent company are included in note 3 of the consolidated financial statements and that there are no critical accounting estimates which are unique to the Parent.

3. Staff costs

There are no employees hired at the Parent and therefore no related staff costs. The Key Management function is executed via intercompany agreement. Please refer to note 5 in the consolidated financial statements for Key Management remuneration.

4. Financial income

	2023/24 €M	2022/23 €M
Interest income, affiliates	0,6	2,0
Interest income, external	0,2	1,0
Total financial income	0,8	3,0

5. Finance costs

	2023/24 €M	2022/23 €M
Exchange rate adjustment	(0,2)	(0,7)
Other finance costs	(0,6)	(0,2)
Total finance costs	(0,8)	(0,9)

6. Income tax expense/(benefit)

Current tax:	2023/24 €M	2022/23 €M
Income tax (benefit) / expense for the year	(0,2)	0,1
Income tax expense for the previous year	0,4	2,1
Total current tax expense	0,2	2,2

Income tax benefit is specified as follows:

Calculated 22,0% tax on income/(loss) for the year before income tax	(3,2)	(0,2)
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Tax effects of:

Non-deductible expenses	2,7	0,1
Tax losses not recognized	1,0	—
Adjustments in respect of prior years	(0,3)	2,3
Total income tax expenses	0,2	2,2

7. Investment in subsidiaries

Cost:	2023/24 €M	2022/23 €M
At beginning of year	817,4	806,2
Other movements	2,0	(0,3)
Effect of share based payments	(5,6)	11,5
At end of year	813,8	817,4

Owned by Sitecore Holding II A/S:

Subsidiaries	Legal form	Registered office	Voting shares & stakes	Profit / (Loss) (FY24) €M - Unaudited	EQ (FY24) €M - Unaudited	Profit / (Loss) (FY23) - €M	EQ (FY23) - €M
Sitecore Holding III A/S	A/S	Copenhagen, Denmark	100%	(61,8)	(604.1)	(29,5)	(665,8)

Impairment of investment in subsidiary

Impairment tests are performed on investments in subsidiaries if events or changes in circumstances indicate that their carrying amount may not be recoverable. If cost exceeds the recoverable amount, the carrying amount is written down to the recoverable amount.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates, and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates, and assumptions for the individual items are described below.

The Company is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

The Group annually evaluates whether the investment in subsidiaries has suffered any impairment, in accordance with the accounting policy stated in note 2 of consolidated financial statements. The assessment performed utilized the figures evaluated through the Group goodwill impairment assessment and therefore the assumptions and sensitives are consistent. Please refer to note 12 in the consolidated financial statements for assumptions and sensitivities. There was no impairment on investment in subsidiaries recognized during the year ending 30 June 2024 (30 June 2023: nil).

In addition, receivables from subsidiaries are evaluated for potential impairment and impaired if the Group concludes that the subsidiary will not be able to repay the loan. There was no impairment on receivables from subsidiaries recognized during the year ending 30 June 2024 (30 June 2023: nil).

8. Related parties

Related party transactions include compensation paid to Board of Directors and Executive Management.

For Key Management remuneration and details on staff costs please refer to note 3.

Related party transactions consist of financing transactions carried out at market rates.

Transactions presented as Receivables/Payables from/to related parties on the Balance Sheet are those that are receivable/payable from group companies. Group companies are entities that are members of the same group as the Company, including all subsidiaries of the Parent.

9. Commitments and contingent liabilities

Securities

As collateral for credit facilities in Sitecore Holding III A/S and Sitecore USA, Inc., the Company has provided a first priority pledge of the entire share capital of Sitecore Holding III A/S, any future shares and other present and future securities issued by Sitecore Holding III A/S to Wilmington Trust (London) Limited.

Other contingent liabilities

There are no pending court and arbitration cases.

As Management Company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities liable for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

The Company has issued letters of support to subsidiaries within the Group.

10. Events after the balance sheet date

There are no significant events after the balance sheet date in addition to those disclosed in the consolidated financial statements, note 22.

11. Capital management

For a description of capital management please refer to the consolidated financial statements, note 17.

12. Financial instruments

Sitecore Holding II A/S does not have exposure to financial instruments. Financial debt and all operations of the Sitecore Group is carried out through subsidiaries of Sitecore Holding II A/S and affiliated companies.

13. Audit fee

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The group audit fee is specified in the consolidated financial statements, note 8.

14. Liquidity risk

Cash flow forecasting is performed on group level by management. Refer to Note 21 for more details.

The table below analyses the Group's non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 30.06.2023	Less than 1 year	1-5 years	>5 years	Total	Carrying Value
	€M	€M	€M	€M	€M
Trade payables	—	—	—	—	—
Accrued and other payables	0,8	8,4	—	9,2	9,2
Total	0,8	8,4	—	9,2	9,2

As at 30.06.2024	Less than 1 year	1-5 years	>5 years	Total	Carrying Value
	€M	€M	€M	€M	€M
Trade payables	1,0	—	—	1,0	1,0
Accrued and other payables	13,0	6,0	—	19,0	19,0
Total	14,0	6,0	—	20,0	20,0