

# Sitecore Corporation A/S

Vester Farimagsgade 3, 5., 1606 Copenhagen V

CVR no. 26 03 25 12

## Annual report 2022/23

Approved at the Company's annual general meeting on 22 December 2023

Chair of the meeting:

.....  
Jonas Persson

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

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sitecore Corporation A/S for the financial year 1 July 2022 - 30 June 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023.

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

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

Copenhagen, 22 December 2023

Executive Board:

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Efstathios Tzikakis  
Chief Executive Officer

.....  
Peter David  
Chief Financial Officer

.....  
Bertil Majer  
Chief Legal Officer

Board of Directors:

.....  
Jonas Persson  
Chair

.....  
Marjorie Lao

.....  
Bjarne Kock Hansen

.....  
Craig Allen Conway

.....  
Carsten Oliver Thoma

.....  
Bert Alfons Janssens

.....  
Darren Roos

.....  
Matteo Thun

## Independent auditor's report

### To the shareholder of Sitecore Corporation A/S

#### Opinion

We have audited the financial statements of Sitecore Corporation A/S for the financial year 1 July 2022 - 30 June 2023, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Copenhagen, 22 December 2023  
KPMG P/S  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Martin Melchior Eiler  
State Authorised Public Accountant  
mne32271

**Management's review****Company details**

Name	Sitecore Corporation A/S
Address, Postal code, City	Vester Farimagsgade 3, 5., 1606 Copenhagen V
CVR no.	26 03 25 12
Established	26 April 2001
Registered office	Copenhagen
Financial year	1 July 2022 - 30 June 2023
Website	<a href="http://www.sitecore.com">www.sitecore.com</a>
Telephone	+45 70 23 66 60
Board of Directors	Jonas Persson, Chair Marjorie Lao Bjarne Kock Hansen Craig Allen Conway Carsten Oliver Thoma Bert Alfons Janssens Darren Roos Matteo Thun
Executive Board	Efstathios Tzikakis, Chief Executive Officer Peter David, Chief Financial Officer Bertil Majer, Chief Legal Officer
Auditors	KPMG P/S Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 Copenhagen Ø

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

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
<b>Key figures</b>					
Revenue	616,872	549,943	757,698	444,974	402,668
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	198,350	98,101	86,892	-71,760	170,960
Operating profit / (loss)	157,510	39,736	22,842	-131,793	119,072
Net financial income / (expenses)	49,271	87,936	-4,626	47,438	79,843
<b>Profit / (loss) for the year</b>	<b>191,046</b>	<b>115,250</b>	<b>121,766</b>	<b>-121,597</b>	<b>98,799</b>
Non-current assets	1,785,083	2,056,969	1,644,629	1,610,427	2,841,184
Current assets	1,554,172	1,172,353	1,320,395	353,919	260,290
<b>Total assets</b>	<b>3,339,255</b>	<b>3,229,322</b>	<b>2,965,024</b>	<b>1,964,346</b>	<b>3,101,474</b>
Investments in property, plant and equipment	8,881	8,659	426	17,711	5,637
Share capital	10,473	10,473	10,473	10,473	10,473
<b>Equity</b>	<b>2,647,777</b>	<b>2,404,569</b>	<b>2,161,468</b>	<b>1,031,616</b>	<b>2,600,749</b>
Non-current liabilities	33,224	339,301	225,211	620,133	176,662
Current liabilities	658,254	485,452	578,345	312,597	324,063
<b>Financial ratios</b>					
EBITDA-margin	32.2%	17.8%	11.5%	-16.1%	42.5%
Return on equity	7.6%	5.0%	7.6%	-6.7%	7.6%
<b>Average number of full-time employees</b>	<b>63</b>	<b>84</b>	<b>88</b>	<b>115</b>	<b>112</b>

Due to the adoption of IFRS 16, key figures and ratios above have not been restated for 2018/19.

For terms and definitions, please see the accounting policies.

## Management's review

### Business review

The Sitecore Group (the "Group") is a software company that predominantly provides customers with Web Content Management (WCM) services through its software. Sitecore Corporation A/S ("Sitecore" or "the Company") is a legal or economic owner of the Group's legacy and organic Intellectual Property ("IP"), which it distributed through its network of affiliated entities.

In connection with the Group company's operating model:

- i. Sitecore USA Inc. and Sitecore Ireland Ltd have entered into agreements with Sitecore Corporation A/S to have access to its historic IP in return for a license fee.
- ii. Sitecore USA Inc. and Sitecore Ireland Ltd have entered into agreements with Sitecore Corporation A/S to reimburse Sitecore Corporation A/S for the research and development ("R&D") and Administration services performed by the company.

The financial statements of the company also contain financial information from 'Sitecore France (branch)'.

### Financial review

The Income statement for 2022/23 shows a profit of DKK'000 191,046 (profit of DKK'000 115,250 in 2021/22). The increase in profit of DKK'000 75,796 is primarily due to the following:

- Revenue has increased by DKK'000 66,929 (DKK'000 616,872 and 549,943 for 2022/23 and 2021/22 respectively) primarily due to an increase in administrative services performed by the company in 2022/23.
- Income from investments in group enterprises has increased by DKK'000 21,226 (DKK'000 25,318 and 4,092 for 2022/23 and 2021/22 respectively, primarily due to a DKK'000 25,318 dividend in 2022/23 from its 100% investment in Sitecore Netherlands B.V.
- Reversal of impairment of investments in group enterprises has increased by DKK'000 24,127 (DKK'000 24,127 and 0 for 2022/23 and 2021/22 respectively).
- The financial performance of 2022/23 exceeds previously disclosed expectations due to the same explanations above on revenue, income from investments and reversal of impairment.

At the balance sheet date, 30 June 2023, the company shows equity of DKK'000 2,647,777 (DKK '000 2,404,569 in 2021/22). The DKK'000 243,208 increase in equity is primarily due to the following factors:

- Profit during the year of DKK'000 191,046 and group share-based payment transactions of DKK'000 52,162 in fiscal year 2023 related to its consolidating parent.

Inter-company loans are recognized as either non-current receivables from group enterprises or current receivables from group enterprise depending on maturity dates of loan. To the extent that the related entity has liquidity (see also note 3, Capital matters) and inter-company trade receivables were expected to be collected during the year or paid within twelve months, the prior year receivables from group enterprises have either been repaid or reclassified from non-current to current.

### Financial risks

Sitecore Corporation A/S is subject to financial uncertainty and risks driven by external factors such as interest rate, foreign exchange, credit risk and liquidity risk. These risks are managed at a Group level. 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,

## Management's review

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.

## Research and development activities

Sitecore USA Inc. and Sitecore Ireland Ltd have entered into agreements with Sitecore Corporation A/S to reimburse Sitecore Corporation A/S for the research and development ('R&D') activities performed by the company.

## Events after the balance sheet date

There were no significant events affecting the Company, which require adjustment to or disclosure in the financial statements.

## Outlook

Sitecore Corporation A/S intends to continue providing (i) R&D and administration services to the group along with (ii) access to its legacy and organic IP in return for a license fee from group companies. Excluding the impact of 'Reversal of impairment of investments' and 'Income from investments in group enterprises' booked in 2022/23, the Company expects profits in 2023/24 will be in line with 2022/23.

## Corporate social responsibility statement

The Company is part of the Sitecore Holding II A/S consolidated financial statement (Group) and subject to the policies on corporate social responsibility adopted by the parent company. Consequently, the Company does not publish a separate corporate social responsibility statement. The parent company's financial statements can be found on the following link:

<https://datacvr.virk.dk/enhed/virksomhed/37624071?fritekst=sitecore&sideIndex=0&size=10> ( Sitecore Holding II A/S CVR no 37624071)

## Statement on gender distribution in Management

The Company is part of the Group and subject to the goals and policies for gender quotation in Management adopted by the parent company. Consequently, the Company does not publish a separate statement on gender quotation in Management. The parent company's financial statements can be found on the following link:

<https://datacvr.virk.dk/enhed/virksomhed/37624071?fritekst=sitecore&sideIndex=0&size=10> (Sitecore Holding II A/S CVR no 37624071)

## Statement on data ethics

The Company is part of the Group and subject to the goals and policies for data ethics in Management adopted by the parent company. Consequently, the Company does not publish a separate statement on data ethics. The parent company's financial statements can be found on the following link:

<https://datacvr.virk.dk/enhed/virksomhed/37624071?fritekst=sitecore&sideIndex=0&size=10> (Sitecore Holding II A/S CVR no 37624071)

**Financial statements 1 July 2022 - 30 June 2023****Income statement**

Note	DKK'000	2022/23	2021/22
4	<b>Revenue</b>	<b>616,872</b>	<b>549,943</b>
5	Other external expenses	-351,802	-366,627
6	Staff costs	-66,720	-85,215
7,8	Amortisation/depreciation of intangible assets and property, plant and equipment	-40,840	-58,365
	<b>Profit before net financials</b>	<b>157,510</b>	<b>39,736</b>
	Income from investments in group enterprises	25,318	4,092
	Reversal of impairment of investments	24,127	0
9	Financial income	71,829	96,336
10	Financial expenses	-22,558	-8,400
	<b>Profit before tax</b>	<b>256,226</b>	<b>131,764</b>
11	Tax for the year	-65,180	-16,514
12	<b>Profit for the year</b>	<b>191,046</b>	<b>115,250</b>

## Financial statements 1 July 2022 - 30 June 2023

## Balance sheet

Note	DKK'000	2022/23	2021/22
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
7	<b>Intangible assets</b>		
	Completed development projects	19,715	53,696
		<u>19,715</u>	<u>53,696</u>
8	<b>Property, plant and equipment</b>		
	Plant and machinery	2,408	4,667
	Fixtures and fittings, other plant and equipment	655	1,032
	Right-of-use assets	9,738	5,122
		<u>12,801</u>	<u>10,821</u>
	<b>Financial assets</b>		
13	Investments in group enterprises	1,447,129	1,371,085
13,21	Receivables from group enterprises	302,272	619,983
		<u>1,749,401</u>	<u>1,991,068</u>
	<b>Other non-current assets</b>		
	Prepayments	3,166	1,384
		<u>3,166</u>	<u>1,384</u>
	<b>Total non-current assets</b>	<u>1,785,083</u>	<u>2,056,969</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Accounts receivable	116	116
21	Receivables from group enterprises	1,543,296	1,145,353
	Tax credit receivable	5,605	4,977
	Other receivables	631	649
14	Prepayments	2,769	4,097
		<u>1,552,417</u>	<u>1,155,192</u>
	<b>Cash</b>	<u>1,755</u>	<u>17,161</u>
	<b>Total current assets</b>	<u>1,554,172</u>	<u>1,172,353</u>
	<b>TOTAL ASSETS</b>	<u>3,339,255</u>	<u>3,229,322</u>

## Financial statements 1 July 2022 - 30 June 2023

## Balance sheet

Note	DKK'000	2022/23	2021/22
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
15	Share capital	10,473	10,473
	Reserve for development costs	15,360	41,883
	Retained earnings	2,621,944	2,352,213
	<b>Total equity</b>	<u>2,647,777</u>	<u>2,404,569</u>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
17	Deferred tax	23,550	100,117
	Lease liabilities	8,111	1,701
21	Payables to group enterprises	0	237,478
	Other payables	1,563	5
	<b>Total non-current liabilities</b>	<u>33,224</u>	<u>339,301</u>
	<b>Current liabilities</b>		
	Lease liabilities	1,108	3,387
	Trade payables	63,646	70,539
21	Payable to group enterprises concerning corporate tax	278,142	134,702
21	Payables to group enterprises	170,344	218,304
	Income tax payable	146	4,600
	Other payables	144,868	53,920
	<b>Total current liabilities</b>	<u>658,254</u>	<u>485,452</u>
		<u>691,478</u>	<u>824,753</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>3,339,255</u></u>	<u><u>3,229,322</u></u>

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## Financial statements 1 July 2022 - 30 June 2023

## Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
<b>1</b>	<b>Equity at 1 July 2021</b>	<b>10,473</b>	<b>79,075</b>	<b>2,071,920</b>	<b>2,161,468</b>
	Group contribution	0	0	97,788	97,788
	Other adjustments	0	0	-2,436	-2,436
<b>12</b>	<b>Transfer, see "Appropriation of profit/loss"</b>	0	-37,192	152,442	115,250
	Group share-based payment transactions	0	0	32,499	32,499
	<b>Equity at 1 July 2022</b>	<b>10,473</b>	<b>41,883</b>	<b>2,352,213</b>	<b>2,404,569</b>
<b>12</b>	<b>Transfer, see "Appropriation of profit/loss"</b>	0	-26,523	217,569	191,046
	Group share-based payment transactions	0	0	52,162	52,162
	<b>Equity at 30 June 2023</b>	<b>10,473</b>	<b>15,360</b>	<b>2,621,944</b>	<b>2,647,777</b>

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements****1 Accounting policies**

The annual report of Sitecore Corporation A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to Class C (Large) entities. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

**Changes in accounting estimate**

Accounting estimates used in the preparation of the financial statements are consistent with those of last year.

**Changes in accounting policies**

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

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended in the Balance sheet and related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The impact of the reclassification is as follows:

Balance sheet	2021/22 (Before reclassification)	Reclassified amounts	2021/22 (After reclassification)
DKK'000			
Payables to group enterprises	-353,006	134,702	-218,304
Joint taxable contribution payable	-4,600	4,600	0
Payable to group enterprises concerning corporate tax	0	-134,702	-134,702
Income tax payable	0	-4,600	-4,600
Total current liability	<b>-357,606</b>	<b>0</b>	<b>-357,606</b>

**Omission of a cash flow statement**

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

**Omission of Audit fee note**

With reference to section 96(3) of the Danish Financial Statements Act, no audit fee note has been prepared.

**Reporting currency**

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

**Foreign currency translation**

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements**

the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

**Income statement****Revenue**

The Company's revenue mainly consists of intercompany revenue from the Group's sales entities. The Group have chosen IFRS 15 as interpretation for revenue recognition for which the accounting policies are as follows:

The Company recognizes revenue in accordance with IFRS 15 requirements, whereby revenue is recognised over time based on making the IP available and as R&D and administrative services are provided.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Revenue to the Company is mainly derived from:

- i. software licenses fees or royalties paid by affiliated entities for access to its historic IP.
- ii. reimbursements from group companies for research and development ('R&D') and administration costs incurred by Sitecore Corporation A.S.

**Other external expenses**

Other external expenses include costs incurred by the Company relating to sales, advertising, administration, premises, research & development used in generating the year's intercompany revenue.

**Staff costs**

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

**Share-based payments**

The Sitecore Group operates equity-settled, share-based compensation plans, under which entities within the group benefit from services provided by employees who are granted consideration in the form of equity instruments issued by the Company's ultimate parent, Sitecore Holdings II A/S. Grants to employees of the Company are recognised in an amount equal to the fair value of the employee services received in exchange for the share-based compensation. Grants to employees of a subsidiary of the Company are recognised as a capital contribution from the Company's ultimate parent and a corresponding increase in the Company's investment in the subsidiary. The total amount is determined by reference to the grant date fair value of equity settled grants and the end of period fair value for cash settled grants.

**Amortisation/depreciation and impairment**

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	3 years
Patents, trademarks and product rights	5 years

## Financial statements 1 July 2022 - 30 June 2023

### Notes to the financial statements

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Plant and machinery	3-5 years
Fixtures and fittings, other plant and equipment	3-5 years

Right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use assets are periodically reduced by any impairment losses.

### Profit/loss from investments in group enterprises

The item includes dividends from investments in group enterprises. Dividend distributions that either exceed the profit for the year or where the carrying amount of the investments exceeds the consolidated carrying amounts of the group enterprises's net assets will indicate impairment for which reason an impairment test will have to be conducted.

### Financial income and expenses

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

### Tax

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

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

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

### Balance sheet

#### Intangible assets

Intangible assets include development projects and other acquired intangible rights, including patents, trademarks and product rights.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries directly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements**

costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3 years.

Patents, trademarks and product rights are measured at cost less accumulated amortisation and impairment losses. Patents, trademarks and product rights are amortised on a straight-line basis over the estimated useful life. The amortisation period is 5 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under “other operating income” or “other operating expenses”, respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

**Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

**Leases**

The Company has chosen IFRS 16 as interpretation for classification and recognition of leases.

Leased assets are recognised 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.

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 recognized at the value paid to the landlord. Deposits are subsequently measured at net realizable value based on the amount the Company expect to receive at the end of the lease.

**Investments in group enterprises**

Investments in group enterprises are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Gains and losses on disposal of group enterprises are made up as the difference between the sales price and the carrying amount of the carrying amount of the investment at the date of disposal including anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements****Impairment of non-current assets**

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

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

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

**Receivables**

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

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade 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.

**Prepayments**

Prepayments comprise expenses paid, but not yet incurred.

**Cash**

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

**Equity****Reserve for development costs**

The reserve for development costs comprises recognised development costs adjusted for deferred tax. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

**Proposed dividends**

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

**Income taxes and Deferred taxes**

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items

## Financial statements 1 July 2022 - 30 June 2023

### Notes to the financial statements

where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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

### Liabilities

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

Other liabilities are measured at net realisable value.

### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

### Financial ratios

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

EBITDA-margin	$\frac{\text{Earnings before interest, taxes, depreciation and amortisations (EBITDA)}}{\text{Revenue}} \times 100$
Return on equity	$\frac{\text{Profit/loss after tax}}{\text{Average equity}} \times 100$

## 2 Recognition and measurement uncertainties

Management makes estimates, and assumptions concerning the future when performing impairment tests over investments. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no 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.

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

## 3 Capital matters

Intercompany payables as reflected on the balance sheet will be repaid to group entities as funds become available, and do not have to be repaid sooner than the company has liquidity to do so. Intercompany receivables may not be repaid to the Company until the respective counterparty has the liquidity to do so. The Company has received a declaration of financial support from its ultimate parent, Sitecore Holdings II A/S

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements**

committing to provide sufficient resources to settle any liabilities as they fall due if the Company does not have sufficient resources of its own. All internal debt of the Company and other group entities is subordinated to other liabilities, and no internal debt will be called or required to be repaid between the Company of any group entities unless and until the individual entity has sufficient liquidity to do so. This declaration is effective for at least 12 months from approval of the Company's annual report.

**4 Revenue**

Segment Information split by geography detailed below:

DKK'000	2022/23	2021/22
European Union (Excluding Denmark)	428,315	415,266
Rest of world	188,557	134,677
	<u>616,872</u>	<u>549,943</u>

DKK'000	2022/23	2021/22
Intercompany Revenue - IP Licensing	213,669	209,276
Intercompany Revenue - R&D services	104,043	112,046
Intercompany Revenue - Administrative services	299,159	228,621
	<u>616,872</u>	<u>549,943</u>

**5 Other external expenses**

DKK'000	2021/22	2020/21
Intercompany expense	25,910	103,476
IT and network costs	134,760	113,721
Marketing costs	165,657	2,638
Other external expenses	25,475	146,792
	<u>351,802</u>	<u>366,627</u>

**6 Staff costs**

DKK'000	2022/23	2021/22
Wages/salaries	56,251	73,719
Pensions	5,843	4,210
Other social security	4,626	7,286
	<u>66,720</u>	<u>85,215</u>
Average number of full-time employees	<u>63</u>	<u>84</u>

Remuneration to the Company's Board of Directors and Executive Management is paid by the parent Company and other Group companies. The extent of this work is considered immaterial in nature and extent.

**Group Share based Compensation**

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

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements**

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.

**Management Incentive Plan**

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.

**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.

**7 Intangible assets**

DKK'000	Completed development projects	Patents, trademarks and product rights	Total
Cost at 1 July 2022	294,953	23,072	318,025
Cost at 30 June 2023	294,953	23,072	318,025
Impairment losses and amortisation at 1 July 2022	241,257	23,072	264,419
Amortisation for the year	33,981	—	33,981
Impairment losses and amortisation at 30 June 2023	275,238	23,072	298,310
<b>Carrying amount at 30 June 2023</b>	<b>19,715</b>	<b>—</b>	<b>19,715</b>

**Completed development projects**

Completed development projects relate to the Sitecore Experience Platform 10 and subsequent releases completed during the financial year 2020/21. In addition to the core platform other products such as the One Sitecore SaaS Platform and supporting features are also part of Completed development projects.

## Financial statements 1 July 2022 - 30 June 2023

## Notes to the financial statements

## 8 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, other plant and equipment	Right-of-use assets	Total
Cost at 1 July 2022	17,744	2,190	15,667	35,601
Additions	—	126	8,755	8,881
Disposals	-141	-349	-2,456	-2,946
<b>Cost at 30 June 2023</b>	<b>17,603</b>	<b>1,967</b>	<b>21,966</b>	<b>41,536</b>
Impairment losses and depreciation at 1 July 2022	13,077	1,158	10,545	24,780
Depreciation	2,217	503	4,139	6,859
Reversal of accumulated depreciation	-99	-349	-2,456	-2,904
Impairment losses and depreciation at 30 June 2023	15,195	1,312	12,228	28,735
<b>Carrying amount 30 June 2023</b>	<b>2,408</b>	<b>655</b>	<b>9,738</b>	<b>12,801</b>

## 9 Financial income

DKK'000	2022/23	2021/22
Interest income, group entities	71,766	37,496
Exchange gain	—	58,840
Other financial income	63	—
	<u>71,829</u>	<u>96,336</u>

## 10 Financial expenses

DKK'000	2022/23	2021/22
Exchange loss	11,974	—
Interest expenses, group entities	10,306	8,011
Other financial expenses	278	389
	<u>22,558</u>	<u>8,400</u>

## 11 Tax for the year

DKK'000	2022/23	2021/22
Estimated tax charge for the year	124,810	138,153
Prior year adjustments for income tax	16,937	—
Deferred tax in the year	-76,494	-107,315
Prior year adjustments for deferred tax	-73	-14,324
	<u>65,180</u>	<u>16,514</u>

## 12 Appropriation of profit

DKK'000	2022/23	2021/22
<b>Recommended appropriation of profit</b>		
Transfer from reserve for development costs	-26,523	-37,192
Retained earnings	217,569	152,442
	<u>191,046</u>	<u>115,250</u>

## Financial statements 1 July 2022 - 30 June 2023

## Notes to the financial statements

## 13 Financial assets

DKK'000	Investments in group enterprises	Receivables from group enterprises	Total
<b>Cost at 1 July 2022</b>	<b>1,395,190</b>	<b>619,983</b>	<b>2,015,173</b>
Group share-based payment transactions	51,771	—	51,771
Collections	—	-378,910	-106,368
Additions	168	165,907	166,075
Receivables transferred to current	—	-104,708	-104,708
<b>Cost at 30 June 2023</b>	<b>1,447,129</b>	<b>302,272</b>	<b>1,749,401</b>
Value adjustments at 1 July 2022	-24,105	—	-24,105
Reversal of impairment	24,105	—	24,105
Value adjustments at 30 June 2023	—	—	—
<b>Carrying amount at 30 June 2023</b>	<b>1,447,129</b>	<b>302,272</b>	<b>1,749,401</b>

The reversal of previously recorded valuation adjustments related to Sitecore Japan Co. (DKK 12,145), Sitecore Software Co. (DKK 1,610), and Sitecore Sverige (DKK 10,350) were recorded as a result of improvements in the financial position and performance of the subsidiaries. Reversals of impairment were recognised up to, but not above, the historical cost of the respective investments.

**Investments in Subsidiaries**

Equity and profit/loss disclosures for the group enterprises are based on latest audited financial statements for the respective group enterprises. Where an entity does not have a statutory audit requirement we have used latest financial statements filed with the respective filing authorities.

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/(loss) DKK'000	Comment
<b>Subsidiaries</b>						
Sitecore Australia	Pty Ltd	Sydney, Australia	100.00%	13,191	-719	FY23
Sitecore Belgium	NV	Brussels, BE	100.00%	111,385	26,817	FY23
Sitecore Bulgaria	EOOD	Sofia, Bulgaria	100.00%	7,196	1,454	CY22
Sitecore Danmark	A/S	Copenhagen, DK	100.00%	20,750	583	FY23
Sitecore Deutschland	GmbH	Bremen, DE	100.00%	32,976	4,612	FY22
Sitecore España	S.L.U.	Madrid, Spain	100.00%	936	688	FY22*
Sitecore France	SAS	Paris, France	100.00%	80	5	FY22*
Sitecore International	A/S	Copenhagen, DK	100.00%	14,026	-2,197	FY23
Sitecore Ireland	Ltd.	Dublin, Ireland	100.00%	-353,046	-216,221	FY22
Sitecore Italia	Srl.	Milan, Italy	100.00%	1,398	586	FY23*
Sitecore Japan Co.	Ltd.	Tokyo, JP	100.00%	33,804	170	FY23*
Sitecore Malaysia Sdn.	Bhd.	Kuala Lumpur, MY	100.00%	29,517	3,077	FY23
Sitecore Middle East	DMCC	Dubai, UAE	100.00%	2,605	-1,702	FY22
Sitecore Middle East	FZLLC	Dubai, UAE	100.00%	5,394	693	FY22
Sitecore Nederland	B.V.	Amsterdam, NL	100.00%	25,152	3,366	FY22*
Sitecore Schweiz	AG	Zurich, Switzerland	100.00%	0	0	**
Sitecore Singapore Pte.	Ltd.	Singapore, SG	100.00%	9,847	-2,818	FY22
Sitecore Software Co.	Ltd.	Shanghai, CN	100.00%	20,166	-1,262	CY22
Sitecore Sverige	AB	Stockholm, SE	100.00%	10,578	1,500	FY23
Sitecore UK	Ltd.	London, UK	100.00%	66,674	-7,148	FY23
Sitecore Ukraine	FE	Dnepropetrovsk, UA	100.00%	16,588	4,690	CY22

Notes to above table:

\* There is no legal requirements to perform a statutory audit, hence the figures used are from the latest unaudited filed set of financial statements.

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements**

\*\* Entities first set of annual accounts (Audited /unaudited) have not been filed with respective filing authorities.

The investments in Sitecore Ireland, Sitecore Belgium, and Sitecore UK represent about 96% of the total subsidiary investment balances. All entities were evaluated for impairment and concluded that there was no basis for recognizing any impairment.

For those entities whose Equity & Profit / Loss figures are taken from periods other than FY23, the performance in FY23 is expected to be in line with periods noted above.

**14 Prepayments**

Prepayments include payment of expenses relating to subsequent financial years.

**15 Share capital**

The company's nominal share capital is DKK 10,473,053, divided into shares of a nominal amount of DKK 0,10 each.

The Company's share capital has remained DKK 10,473 thousand over the past 5 years.

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

DKK'000	Total debt at 30/6 2023	Repayment, next year	1-5 years	Outstanding debt after 5 years
Lease liabilities	9,219	1,108	8,111	—
Payables to group enterprises	170,344	170,344	—	—
Payable to group enterprises concerning corporate tax	278,142	278,142	—	—
Other payables	146,431	144,868	1,563	—
	<u>604,136</u>	<u>594,462</u>	<u>9,674</u>	<u>—</u>

**17 Deferred tax**

DKK'000	2022/23	2021/22
Deferred tax at 1 July	100,117	221,756
Deferred tax on profit for the year	-76,494	-107,315
Deferred tax adjustment, previous years	-73	-14,324
<b>Deferred tax at 30 June</b>	<u>23,550</u>	<u>100,117</u>

**18 Contractual obligations and contingencies, etc.**

DKK'000	2022/23	2021/22
<b>Contingent liabilities</b>		
Guarantee commitments	1,700	1,700
	<u>1,700</u>	<u>1,700</u>

**Other contingent liabilities**

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

**19 Collateral**

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

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements****20 Currency exchange risk**

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

**21 Related parties**

Sitecore Corporation A/S' related parties comprise the following:

**Parties exercising control**

Related party	Domicile	Basis for control
Sitecore Holding II A/S	Copenhagen, Denmark	Consolidation parent
Sitecore Holding III A/S	Copenhagen, Denmark	Parent

For both periods ending 30 June 2023 and 30 June 2022, the company was controlled by Dynamite Holding I S.á r.l. The company's ultimate controlling party is EQT VII.

**Parties not exercising control**

Non-controlling group enterprises include all subsidiaries of the Parent.

Companies within the EQT AB fund structure.

**Information about consolidated financial statements**

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Sitecore Holding II A/S	Copenhagen, Denmark	www.cvr.dk

**Transactions with related parties**

See note 19 for details of related party transaction concerning collateral.

Below details income statements intercompany transactions split by related party in 2022/23:

DKK'000	2022/23
<b>Revenue</b>	
Non-controlling group enterprises	-616,545
Parent	-327
	<u><b>-616,872</b></u>
<b>Other external costs</b>	
Non-controlling group enterprises	25,910
Companies within the EQT AB fund structure	32*
Parent	—
Consolidation parent	—
	<u><b>25,942</b></u>

**Financial statements 1 July 2022 - 30 June 2023****Notes to the financial statements****Income from investments in group enterprises**

Non-controlling group enterprises	25,318
	<u>25,318</u>

**Financial Income**

Non-controlling group enterprises	-60,614
Parent	-11,152
	<u>-71,766</u>

**Financial Expense**

Non-controlling group enterprises	10,306
	<u>10,306</u>

\*During 2022/23 other external expenses from other companies within the EQT AB fund structure amounts to DKK'000 32. As of the reporting date, payables to from these related parties were nil.

Below details balance sheet intercompany transactions split by related party as at 30 June 2023:

DKK'000	2022/23
<b>Non- Current Assets</b>	
Non-controlling group enterprises	302,272
	<u>302,272</u>
<b>Current Assets</b>	
Non-controlling group enterprises	1,017,525
Parent	493,137
Consolidation parent	32,634
	<u>1,543,296</u>
<b>Current liabilities</b>	
Non-controlling group enterprises	170,344
Consolidation parent	278,142
	<u>448,486</u>