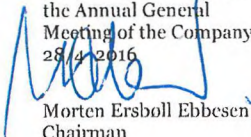

Siteimprove A/S

Sankt Annæ Plads 28, DK-1250 Copenhagen

Annual Report for 1 January - 31 December 2015

CVR No 25 53 70 17

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/4/2016



Morten Ersbøll Ebbesen
Chairman



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Siteimprove A/S for the financial year 1 January - 31 December 2015.

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

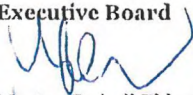
In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2015.

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

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

Copenhagen, 28 April 2016

Executive Board

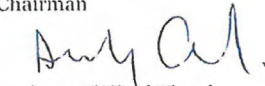


Morten Ersbøll Ebbesen

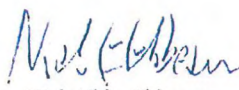
Board of Directors



Niels Lennander Jensen
Chairman



Anthony Clifford Clavel



Niels Ebbe Ebbesen



Johannes Kornelis Jan Sikkens



Michael Sølling

Independent Auditor's Report on the Financial Statements and the Consolidated Financial Statements

To the Shareholders of Siteimprove A/S

Report on the Financial Statements and the Consolidated Financial Statements

We have audited the Financial Statements and the Consolidated Financial Statements of Siteimprove A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and summary of significant accounting policies. The Financial Statements and the Consolidated Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements and the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements and the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements and the Consolidated Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements and the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements and the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements and Consolidated Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements and the Consolidated Financial Statements.

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

Our audit has not resulted in any qualification.

Independent Auditor's Report on the Financial Statements and the Consolidated Financial Statements

Opinion

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Company and the Group at 31 December 2015 and of the results of the Company and the Group operations and of consolidated cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements and the Consolidated Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements and the Consolidated Financial Statements.

Hellerup, 28 April 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Niels Henrik B. Mikkelsen

State Authorised Public Accountant

Company Information

The Company

Siteimprove A/S
Sankt Annæ Plads 28
DK-1250 Copenhagen

Telephone: 33 36 93 50
E-mail: info@siteimprove.dk

CVR No: 25 53 70 17
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Niels Lenander Jensen, Chairman
Niels Ebbe Ebbesen
Michael Sølling
Anthony Clifford Clavel
Johannes Kornelis Jan Sikkens

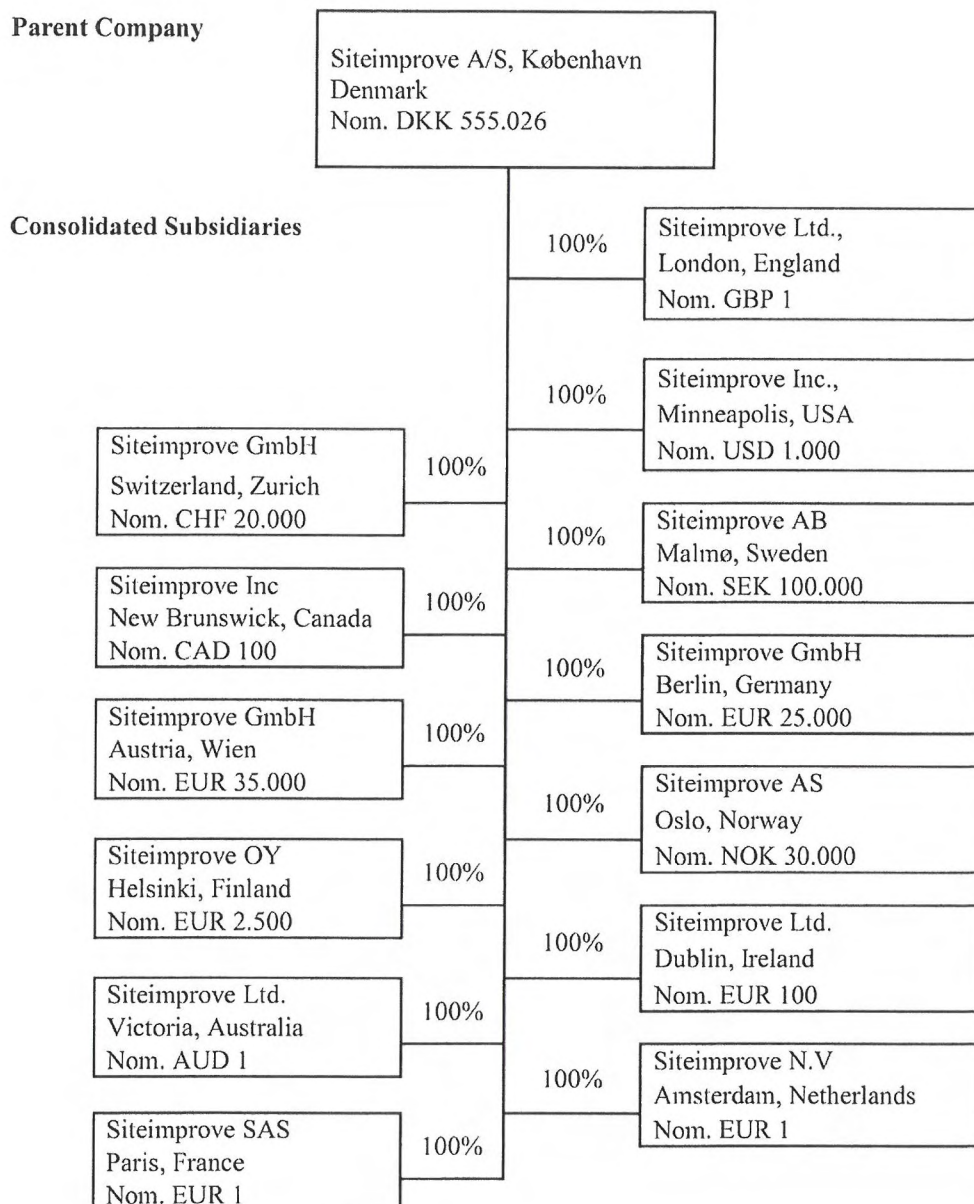
Executive Board

Morten Ersbøll Ebbesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Group Chart



Financial Highlights

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

	Group				
	2015 TDKK	2014 TDKK	2013 TDKK	2012 TDKK	2011 TDKK
Key figures					
Profit/loss					
Revenue	133.922	77.215	51.980	33.684	31.805
Profit/loss before financial income and expenses	-45.319	-8.562	-1.417	-7.905	4.491
Net financials	-450	-2.119	686	0	-808
Net profit/loss for the year	-32.035	-13.412	-3.635	-9.405	2.426
Balance sheet					
Balance sheet total	147.362	30.045	18.767	13.631	11.605
Equity	25.629	-43.540	-23.863	-14.604	-1.451
Cash flows					
Cash flows from:					
- operating activities	-9.282	9.013	10.274	7.379	4.651
- investing activities	-15.846	-2.524	-661	-4.520	-1.823
including investment in property, plant and equipment	-4.288	-1.975	-371	-2.993	-578
- financing activities	106.396	-6.525	-3.516	-2.464	-2.552
Change in cash and cash equivalents for the year	81.268	-36	6.097	395	276
Ratios					
Profit margin	-33,8%	-11,1%	-2,7%	-23,5%	14,1%
Return on assets	-30,8%	-28,5%	-7,6%	-58,0%	38,7%
Solvency ratio	17,4%	-144,9%	-127,2%	-107,1%	-12,5%
Return on equity	357,7%	39,8%	18,9%	117,2%	-356,2%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

The annual report for Siteimprove A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated and Parent Company Financial Statements have been prepared under the same accounting policies as last year, with the exception of investment in subsidiary for the Parent Company and revenue recognition in relation to both the Parent Company and the Group. For further details, reference is made to the description of Accounting Policies.

Main activity

Siteimprove provides organizations of all shapes and sizes with solutions that make website management, maintenance, and optimization both easier and more affordable.

2015 Financial highlights

Siteimprove is continuing to prove successful in current and new markets. In 2015, invoiced sales reached 165.8 million Danish kroner which reflects a 66% growth rate. Additionally, Siteimprove has experienced an increase in customer loyalty that exceeds industry standards.

This customer loyalty is reflected through low churn rates combined with existing customers opting to upgrade their services through Siteimprove, this results in a neutral net revenue churn meaning that the existing customer base value remains intact.

Given the nature of Siteimprove's business model with subscription based income combined with costs of acquiring the customers the strong performance is not evident through the income statement due to revenue recognition criteria. However, as stated above, a loyal customer base has established a solid foundation for current financial performance, strong cash flow, and additional growth in 2016 and beyond.

Recognized revenue increased by 73% in 2015, based on high growth in our existing subsidiaries, primarily those in the US, Germany and Netherlands. We have also seen early success in our new subsidiaries, particularly in Canada. In 2015, besides Canada, we have invested in new subsidiaries in Austria, Switzerland, Australia, Finland and France. Management considers the growth in revenue to be very satisfactory. Siteimprove decided in 2015 to be in conformity with the international standards on revenue recognition and also within the framework of the Danish Financial Statement Act for the Siteimprove Group. This change in revenue recognition meant that net revenue in 2015 is 24.7 million kroner lower than under the prior accounting policy. The change in accounting policy has been restated in earlier years to allow for a historical comparison.

The income statement of the Group for 2015 shows a loss of DKK 32,035,361, and as of 31 December 2015, the balance sheet of the Group shows equity of DKK 25,629,343. Management considers the results satisfactory when considering the considerable growth and large investments in new offices and additional headcounts. The cash flow in 2015 was positive.

Management's Review

The ambition to be the market and technology leader in Web Governance means that Siteimprove is characterized by a dynamic knowledge environment that is ever changing. During the year the Group has seen a significant increase in competent and experienced employees, which has strengthened the knowledge base of the Group. At year-end 2015, the company employed 261 employees which is an increase of 119 employees compared to year-end 2014. At the headquarters in Denmark the total numbers of employees almost doubled to 99 employees at year-end 2015.

At the end of 2015, we welcomed a minority investment from global growth equity firm Summit Partners. This funding will support the continued expansion of our global sales and marketing operations, and enable us to continue our solution innovation to the benefit of our customers.

Research and Development

Over the course of 2015, we implemented a number of innovative solutions.

One of our most important innovative solutions was the implementation of our brand new Policy module in February 2015. The implementation of this solution was a natural addition to our existing Web Governance Suite, and reinforced our passion for providing tools that support and facilitate web governance.

The main benefit of this solution is the ability to implement important website policies that ensure multiple editors conform across multiple sites, which helps protect an organization's reputation and brand, as well as allow for quick reactions to new content policies. Policies are easily set up using a builder and cover a multitude of everyday website policy scenarios. Designed following extensive feedback from customers, this solution has been incredibly well received since it was implemented.

Another important solution that was developed and implemented in 2015, was our Behavior Tracking feature. This solution was implemented in September 2015 and allows our customers to be able to better track how users are entering their websites, the journeys or number of steps they are taking while on the website, and how they leave the website. This solution has helped numerous customers provide their web teams with useful decision-making information.

It is essential for the company to ensure the right portfolio of solutions in the Web Governance Suite. This is done by continuously being aware of customer demands of the existing solution portfolio, as well as development of new solutions within the range of Web Governance.

Management's Review

Customer success and support

Customer satisfaction is core to us and we have expanded the support organization and customer success organization by introducing a support team in Australia, hence giving us the ability to serve our customers around the clock. We have also invested in a new management role, Chief Customer Officer, to ensure our ongoing customer satisfaction and loyalty. We ended the year with close to 3,600 customers across our offices.

The critical business processes are quality, service and individual solutions for our customers within the range of Web Governance solutions. To ensure this the Customer Success Management and Support department, work continuously to improve the customer experience through best practices.

CSR

Continuing in our mission to make the web better for all, in 2015, we organized the world's largest blind tandem bike ride in collaboration with the Danish Association of the Blind (DAB). The event coincided with the yearly celebration of Global Accessibility Awareness Day (GAAD) on May 21, 2015, and involved Siteimprove employees and blind or partially sighted members of DAB riding simultaneously on 100 tandem bikes. Upon completing the course, Siteimprove donated the bikes to various blind cycling associations, as well as blind individuals in need.

During 2015, we participated in the 'Great Place to Work in Denmark' scheme for the first time and we created a culture profile of the company explaining why working for Siteimprove is a great career opportunity. As part of the schemes competition we were ranked in the top 10 best IT companies in Denmark to work for.

Capital resources

Capital resources and cash flow are strong based on the recent growth investment from Summit and will remain inherently so given our subscription model which encourages loyal customers to stay with us year after year. A large part of our cash flow is based on invoicing in USD hence we have a limited risk on currency fluctuations.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Management's Review

Expectations for the year ahead

Looking ahead at 2016 we expect customer and revenue growth to continue above 50%. We have launched an ambitious investment plan amounting to 100 million Danish kroner to open more offices and continue hiring talented employees in all offices and across all functions. We will specifically work to establish a development center in our Minneapolis office. It is becoming more and more common for countries to adopt digital accessibility laws that promote the need for websites to be accessible to people of all abilities and disabilities. This is creating momentum for companies and public institutions to ensure their websites are accessible with the help of Siteimprove's solutions.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2015 DKK	2014 DKK	2015 DKK	2014 DKK
Revenue		133.922.302	77.215.271	12.366.107	12.050.476
Other operating income/expenses		0	0	-11.592.776	26.390.914
Other external expenses		-37.988.175	-17.496.571	-15.780.287	-7.140.484
Gross profit/loss		95.934.127	59.718.700	-15.006.956	31.300.906
Staff expenses	1	-138.183.513	-67.165.775	-32.597.641	-21.788.583
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-3.070.093	-1.114.908	-2.476.778	-856.614
Profit/loss before financial income and expenses		-45.319.479	-8.561.983	-50.081.375	8.655.709
Financial income	3	4.271.519	945.918	2.572.679	375.470
Financial expenses	4	-4.721.361	-3.065.229	-1.794.736	-652.209
Profit/loss before tax		-45.769.321	-10.681.294	-49.303.432	8.378.970
Tax on profit/loss for the year	5	13.733.960	-2.730.281	6.091.205	-2.162.390
Net profit/loss for the year		-32.035.361	-13.411.575	-43.212.227	6.216.580

Distribution of profit

	Parent Company	
	2015 DKK	2014 DKK
Proposed distribution of profit		
Extraordinary dividend paid	7.000.000	6.800.000
Reserve for net revaluation under the equity method	0	0
Retained earnings	-50.212.227	-583.420
	-43.212.227	6.216.580

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2015 DKK	2014 DKK	2015 DKK	2014 DKK
Completed development projects		1.748.174	0	1.748.174	0
Development projects in progress		5.587.113	2.622.262	5.587.113	2.622.262
Intangible assets	6	7.335.287	2.622.262	7.335.287	2.622.262
Other fixtures and fittings, tools and equipment		2.122.495	1.826.001	1.985.960	1.391.815
Leasehold improvements		2.845.050	624.298	2.450.000	290.514
Property, plant and equipment	7	4.967.545	2.450.299	4.435.960	1.682.329
Investments in subsidiaries	8	0	0	2.350.666	2.078.561
Other receivables	9	8.220.244	2.249.817	6.414.713	1.251.773
Fixed asset investments		8.220.244	2.249.817	8.765.379	3.330.334
Fixed assets		20.523.076	7.322.378	20.536.626	7.634.925
Trade receivables		22.124.864	14.601.077	628.440	758.858
Receivables from affiliated companies		0	215.483	2.655.930	5.278.799
Other receivables		579.115	145.631	118.140	80.776
Deferred tax asset		14.000.000	0	6.090.700	0
Income tax receivable		648.167	575.070	640.045	268.500
Prepayments		2.294.606	1.261.251	913.880	725.852
Receivables		39.646.752	16.798.512	11.047.135	7.112.785
Cash at bank and in hand		87.192.178	5.924.091	79.168.998	1.388.736
Currents assets		126.838.930	22.722.603	90.216.133	8.501.521
Assets		147.362.006	30.044.981	110.752.759	16.136.446

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2015 DKK	2014 DKK	2015 DKK	2014 DKK
Share capital		555.026	516.304	555.026	516.304
Retained earnings		25.074.317	-44.056.141	63.389.821	245.056
Equity	10	25.629.343	-43.539.837	63.944.847	761.360
Provision for deferred tax		468.583	449.947	460.268	460.268
Other provisions		2.450.000	0	2.450.000	0
Provisions		2.918.583	449.947	2.910.268	460.268
Prepayments received from customers		253.786	265.229	235.280	246.739
Trade payables		4.871.028	612.116	4.392.813	469.117
Payables to affiliated companies		0	0	30.496.283	4.775.956
Income tax payable		798.822	721.873	0	0
Other payables		13.236.895	9.573.360	2.749.748	3.312.657
Deferred income		99.653.549	61.962.293	6.023.520	6.110.349
Short-term liabilities		118.814.080	73.134.871	43.897.644	14.914.818
Total liabilities		118.814.080	73.134.871	43.897.644	14.914.818
Liabilities and equity		147.362.006	30.044.981	110.752.759	16.136.446
Contingent assets, liabilities and other financial obligations	11				
Related parties and ownership	12				

Statement of Changes in Equity

Group

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	516.304	2.019.072	2.535.376
Net effect from change of accounting policy	0	-46.075.213	-46.075.213
Adjusted equity at 1 January	516.304	-44.056.141	-43.539.837
Exchange adjustments	0	-5.191.173	-5.191.173
Cash capital increase	38.722	113.356.992	113.395.714
Extraordinary dividend paid	0	-7.000.000	-7.000.000
Net profit/loss for the year	0	-32.035.361	-32.035.361
Equity at 31 December	555.026	25.074.317	25.629.343

Parent Company

Equity at 1 January	516.304	7.172.378	7.688.682
Net effect from change of accounting policy	0	-6.927.322	-6.927.322
Adjusted equity at 1 January	516.304	245.056	761.360
Cash capital increase	38.722	113.356.992	113.395.714
Extraordinary dividend paid	0	-7.000.000	-7.000.000
Net profit/loss for the year	0	-43.212.227	-43.212.227
Equity at 31 December	555.026	63.389.821	63.944.847

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2015 DKK	2014 DKK
Net profit/loss for the year		-32.035.361	-13.411.575
Adjustments	13	-15.830.420	-272.719
Change in working capital	14	39.277.115	27.012.371
Cash flows from operating activities before financial income and expenses		-8.588.666	13.328.077
Financial income		4.271.520	945.919
Financial expenses		-4.721.358	-1.787.949
Cash flows from ordinary activities		-9.038.504	12.486.047
Corporate tax paid		-243.553	-3.473.151
Cash flows from operating activities		-9.282.057	9.012.896
Additions of intangible assets		-5.587.113	-2.622.262
Additions of property, plant and equipment		-4.288.031	-1.975.423
Additions of fixed assets investments		-5.970.426	2.101.221
Business acquisition		0	-27.468
Cash flows from investing activities		-15.845.570	-2.523.932
Loans to affiliated companies		0	-299.000
Cash capital increase		113.395.714	574.227
Dividend paid		-7.000.000	-6.800.000
Cash flows from financing activities		106.395.714	-6.524.773
Change in cash and cash equivalents		81.268.087	-35.809
Cash and cash equivalents at 1 January		5.924.091	5.959.900
Cash and cash equivalents at 31 December		87.192.178	5.924.091
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		87.192.178	5.924.091
Cash and cash equivalents at 31 December		87.192.178	5.924.091

Notes to the Financial Statements

	Group		Parent Company	
	2015 DKK	2014 DKK	2015 DKK	2014 DKK
1 Staff expenses				
Wages and salaries	112.787.003	55.580.434	19.220.868	15.667.605
Pensions	3.804.654	1.982.499	2.468.672	1.708.360
Other social security expenses	8.226.770	4.536.243	144.263	89.939
Other staff expenses	7.777.973	2.444.337	5.176.725	1.700.417
	132.596.400	64.543.513	27.010.528	19.166.321
Transfer to development projects	5.587.113	2.622.262	5.587.113	2.622.262
	138.183.513	67.165.775	32.597.641	21.788.583
 Including remuneration to the Executive Board	 1.444.348	 1.538.475	 1.444.348	 1.538.475
 Average number of employees	 257	 120	 71	 42

	Group		Parent Company	
	2015 DKK	2014 DKK	2015 DKK	2014 DKK
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	874.088	0	874.088	0
Depreciation of property, plant and equipment	1.490.001	1.114.908	1.126.155	856.614
Gains and losses on disposals	706.004	0	476.535	0
	3.070.093	1.114.908	2.476.778	856.614

3 Financial income				
Interests received from affiliated companies	0	0	488.534	194.488
Other financial income	8.687	1.874	0	1.853
Exchange rate gains	4.262.832	944.044	2.084.145	179.129
	4.271.519	945.918	2.572.679	375.470

Notes to the Financial Statements

	Group		Parent Company	
	2015 DKK	2014 DKK	2015 DKK	2014 DKK
4 Financial expenses				
Interest paid to affiliated companies	0	0	394.723	402.896
Other financial expenses	406.408	135.355	349.856	135.212
Exchange rate losses	4.314.953	2.929.874	1.050.157	114.101
	4.721.361	3.065.229	1.794.736	652.209
5 Tax on profit/loss for the year				
Current tax for the year	0	2.613.820	0	1.589.500
Deferred tax for the year	-14.139.057	562.569	-6.091.205	572.890
Adjustment of tax concerning previous years	405.097	-446.108	0	0
	-13.733.960	2.730.281	-6.091.205	2.162.390

Notes to the Financial Statements

6 Intangible assets

Group

	Completed development projects <u>DKK</u>	Development projects in progress <u>DKK</u>	<u>Total</u> DKK
Cost at 1 January	0	2.622.262	2.622.262
Additions for the year	2.622.262	5.587.113	8.209.375
Transfers for the year	0	-2.622.262	-2.622.262
Cost at 31 December	<u>2.622.262</u>	<u>5.587.113</u>	<u>8.209.375</u>
Impairment losses and amortisation at 1 January	0	0	0
Amortisation for the year	874.088	0	874.088
Impairment losses and amortisation at 31 December	<u>874.088</u>	<u>0</u>	<u>874.088</u>
Carrying amount at 31 December	<u>1.748.174</u>	<u>5.587.113</u>	<u>7.335.287</u>
Amortised over	<u>3 years</u>		

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 January	6.398.235	1.127.085	7.525.320
Additions for the year	1.866.101	2.421.930	4.288.031
Disposals for the year	-442.190	-647.493	-1.089.683
Cost at 31 December	<u>7.822.146</u>	<u>2.901.522</u>	<u>10.723.668</u>
Impairment losses and depreciation at 1 January	4.889.531	353.584	5.243.115
Depreciations for the year	996.256	129.498	1.125.754
Impairment and depreciations on disposals	-186.136	-426.610	-612.746
Impairment losses and depreciation at 31 December	<u>5.699.651</u>	<u>56.472</u>	<u>5.756.123</u>
Carrying amount at 31 December	<u>2.122.495</u>	<u>2.845.050</u>	<u>4.967.545</u>
Depreciated over	<u>3 years</u>	<u>3-6 years</u>	

Notes to the Financial Statements

7 Property, plant and equipment (continued)

Parent Company

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 January	5.241.210	587.627	5.828.837
Additions for the year	1.846.454	2.509.866	4.356.320
Disposals for the year	-442.190	-647.493	-1.089.683
Cost at 31 December	<u>6.645.474</u>	<u>2.450.000</u>	<u>9.095.474</u>
Impairment losses and depreciation at 1 January	3.849.394	297.112	4.146.506
Depreciation for the year	996.256	129.498	1.125.754
Impairment and depreciation of sold assets for the year	-186.136	-426.610	-612.746
Impairment losses and depreciation at 31 December	<u>4.659.514</u>	<u>0</u>	<u>4.659.514</u>
Carrying amount at 31 December	<u>1.985.960</u>	<u>2.450.000</u>	<u>4.435.960</u>
Depreciated over	<u>3 years</u>	<u>3-6 years</u>	

8 Investments in subsidiaries

	Parent Company	
	2015	2014
	DKK	DKK
Cost at 1 January	2.078.561	2.051.093
Additions for the year	272.105	27.468
Cost at 31 December	<u>2.350.666</u>	<u>2.078.561</u>
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
Carrying amount at 31 December	<u>2.350.666</u>	<u>2.078.561</u>

Notes to the Financial Statements

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Siteimprove Ltd.	England, London	GBP 1	100%
Siteimprove Inc.	USA, Minneapolis	USD 1.000	100%
Siteimprove AB	Sweden, Malmö	SEK 100.000	100%
Siteimprove GmbH	Germany, Berlin	EUR 25.000	100%
Siteimprove AS	Norway, Oslo	NOK 30.000	100%
Siteimprove Ltd.	Ireland, Dublin	EUR 100	100%
Siteimprove N.V	Netherlands, Amsterdam	EUR 1	100%
Siteimprove GmbH	Switzerland, Zurich	CHF 20.000	100%
Siteimprove Inc	Canada, New Brunswick	CAD 100	100%
Siteimprove GmbH	Austria, Wien	EUR 35.000	100%
Siteimprove OY	Finland, Helsinki	EUR 2.500	100%
Siteimprove Ltd.	Australia, Victoria	AUD 1	100%
Siteimprove SAS	France, Paris	EUR 1	100%

9 Other fixed asset investments

	Group	Parent Company
	Other receiv- ables	Other receiv- ables
	DKK	DKK
Cost at 1 January	2.249.817	1.251.773
Additions for the year	5.970.427	5.162.940
Cost at 31 December	<u>8.220.244</u>	<u>6.414.713</u>
Impairment losses at 1 January	0	0
Impairment losses at 31 December	0	0
Carrying amount at 31 December	<u>8.220.244</u>	<u>6.414.713</u>

Notes to the Financial Statements

10 Equity

The share capital consists of 555,026 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2015	2014	2013	2012	2011
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	516.304	500.000	500.000	500.000	500.000
Capital increase	38.722	16.304	0	0	0
Capital decrease	0	0	0	0	0
Share capital at 31					
December	555.026	516.304	500.000	500.000	500.000

Notes to the Financial Statements

Group		Parent Company	
2015	2014	2015	2014
DKK	DKK	DKK	DKK

11 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

Within 1 year	16.391.450	2.885.594	9.568.378	2.244.103
Between 1 and 5 years	59.853.787	1.814.098	40.354.297	1.814.098
After 5 years	16.071.481	0	16.071.481	0
	92.316.718	4.699.692	65.994.156	4.058.201

Contingent liabilities

The Company has a joint and severally liability in relation to a lease contract made together with the associated company Netmester A/S. The total commitment under the lease contract amounts to DKK 3,385k and the lease terminates at 30 June 2017.

The Group company are jointly and severally liable for tax on consolidated taxable income.

Notes to the Financial Statements

12 Related parties and ownership

	<u>Basis</u>
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Controlling interest	
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MEE Holding ApS, Frederiksberg	
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Majority shareholder

Ownership	
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The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

MEE Holding ApS

Nescon Software ApS

Summit Partners (SMP) Sarl

Notes to the Financial Statements

	Group	
	2015	2014
	DKK	DKK
13 Cash flow statement - adjustments		
Financial income	-4.271.519	-945.918
Financial expenses	4.721.361	3.065.229
Depreciation, amortisation and impairment losses, including losses and gains on sales	3.070.092	1.114.910
Tax on profit/loss for the year	-13.733.960	2.730.281
Exchange rate adjustments	-5.616.394	-6.237.221
	<u>-15.830.420</u>	<u>-272.719</u>
14 Cash flow statement - change in working capital		
Change in receivables	-8.775.145	-9.851.625
Change in other provisions	2.450.000	0
Change in trade payables	45.602.260	36.863.996
	<u>39.277.115</u>	<u>27.012.371</u>

Accounting Policies

Basis of Preparation

The Annual Report of Siteimprove A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Consolidated and Parent Company Financial Statements for 2015 are presented in DKK.

Changes in accounting policies

The accounting policies applied are unchanged from last year except investment in subsidiary for the Parent Company and revenue recognition in relation to both the Parent Company and the Group.

Management has in accordance with the rules of the Danish Financial Statement Act chosen to recognize the investments in subsidiaries at cost value. This is considered to be a change of policies compared with previous years, in which investments were recognized according to the equity method. The effect on equity as of January 1, 2014 and investments in subsidiaries amount to DKK 2,533k (reduction) respectively.

The mentioned change in accounting policy has no effect on the tax for the year or deferred tax for 2014 or 2015.

Management has decided to change revenue recognition principles to be in conformity with the international standards on revenue recognition and also within the framework of the Danish Financial Statements Act for the Siteimprove Group.

As the Siteimprove software is hosted on servers held by Siteimprove, the total package delivered to customers is considered a service. Revenue is therefore recognised on a straight-line basis over the contract period. The periodization is calculated on a daily basis based on the contract signature date and the total contract period. Previously 75% of the contract value was recognised up-front and 25% was deferred over the contract period.

The effect on equity at 1 January 2014 amounts to DKK 27,161k (reduction) relating to the change in revenue recognition. The results for 2014 are reduced by DKK 18,523k under the new revenue recognition compared with the statutory Financial Statements for 2014. For 2015 the results are reduced with DKK 24,700k under the new revenue recognition policy.

The comparison figures has been changed in accordance with the change in accounting policy.

Accounting Policies

Recognition and measurement

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

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

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

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

Basis of consolidation

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

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

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

Translation policies

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

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

Accounting Policies

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

Income Statement

Revenue

Revenue from the sale of software is recognised when the risks and rewards relating to the services have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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

Other external expenses

Other external expenses comprise production costs for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment and development projects.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including inter company charges.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

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

Accounting Policies

Tax on profit/loss for the year

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

Balance Sheet

Intangible assets

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable, in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales distribution and administrative expenses involved as well as the development costs. Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or a lower recoverable amount.

As of the date of completion, capitalised development costs are amortised on a straightline basis over the period of the expected economic benefit from the development work, but not exceeding 5 years.

Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment	3	years
Leasehold improvements	3-6	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Accounting Policies

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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

Receivables

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

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

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

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

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

Financial liabilities

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

Deferred income

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

Accounting Policies

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Accounting Policies

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$