Sitecore International A/S

Vester Farimagsgade 3, 5., 1606 Copenhagen V

CVR no. 31 57 98 80

Annual Report 2021/2022

01.07.2021 - 30.06.2022

Approved at the Company's annual general meeting on 16 January 2023
Chair of the meeting:

DocuSigned by:
David Reid
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David Larry Reid

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sitecore International A/S for the financial year 1 July 2021 - 30 June 2022.

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 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022.

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, 16 January 2023

Executive Board:

Jeanne McLaughlin
Managing Director

Board of Directors:

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David Larry Reid Chair	Jeanne McLaughlin	Darren Bruton

Independent auditor's report

To the shareholder of Sitecore International A/S

Opinion

We have audited the financial statements of Sitecore International A/S for the financial year 1 July 2021 - 30 June 2022, 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 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

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

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 16 January 2023
KPMG P/S
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

DocuSigned by:
Martin Eiler
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Martin Eiler
State Authorised Public Accountant
mne32271

Management's review

Company details

Name	Sitecore International A/S
Address, Postal code, City	Vester Farimagsgade 3, 5., 1606 Copenhagen V
CVR no.	31 57 98 80
Established	24 June 2008
Registered office	Copenhagen
Financial year	1 July 2021 - 30 June 2022
Website	www.sitecore.net
Telephone	+45 70 23 66 60
Board of Directors	David Larry Reid, Chair Jeanne McLaughlin Darren Bruton
Executive Board	Jeanne McLaughlin , Managing Director
Auditors	KPMG P/S Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 Copenhagen Ø

Management's review

Financial highlights

DKK'000	2021/22	2020/21	2019/20	2018/19	2017/18
Key figures					
Revenue	141,197	113,507	88,894	84,515	55,166
Gross profit	8,970	8,196	8,016	8,467	13,921
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	4,236	3,455	3,619	3,387	2,229
Operating profit	4,236	3,455	3,619	3,387	2,229
Net financials	6,590	-5,695	1,082	1,683	-542
Profit/loss for the year	**8,264**	**-3,036**	**3,404**	**3,060**	**1,628**
Non-current assets	3,671	2,994	12,184	14,820	152
Current assets	72,286	50,219	38,561	49,206	44,137
Total assets	**75,958**	**53,213**	**50,745**	**64,026**	**44,289**
Investments in property, plant and equipment	—	—	—	—	—
Share capital	500	500	500	500	500
Equity	**16,229**	**7,961**	**10,988**	**7,584**	**4,355**
Non-current liabilities	5,898	4,419	5,818	24,699	1,072
Current liabilities	53,831	40,833	33,939	31,743	38,862
Financial ratios					
Gross margin	6.4%	7.2%	9.0%	10.0%	25.2%
EBITDA-margin	3.0%	3.0%	4.1%	4.0%	4.0%
Return on equity	68.3%	-32.0%	36.7%	51.3%	40.3%
Average number of full-time employees	**0**	**0**	**3**	**3**	**5**

For terms and definitions, please see the accounting policies.

Management's review

Business review

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

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

Recognition and measurement uncertainties

Recognition and measurement uncertainties has been specified in Note 2.

Financial review

The income statement for fiscal year 2022 shows a profit of DKK'000 8,264 (loss of DKK -3,036 in fiscal year 2021). The increase in profit of DKK '000 11,300 is primarily due to exchange rate gains.

At the balance sheet date, 30 June 2022, the Company shows equity of DKK'000 16,229 (DKK'000 7,961 in fiscal year 2021).

Management considers the Company's financial performance in the year satisfactory and in line with expectations.

The company has received a letter of support, including subordination of intercompany debt, from the ultimate parent Sitecore Holding II A/S. Management assess no risks regarding the Company's going concern ability. Reference is made to note 3.

Financial risks

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

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

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

Events after the balance sheet date

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

Outlook

Sitecore's ambition is to continue to generate long-term, healthy double-digit annual recurring revenue growth, and to gradually improve our profitability margin.

Sitecore has transitioned to and continues to sell predominantly subscription-based term licenses. We also sell cloud offerings along with licenses and we expect a significant growth in cloud adoption.

Sitecore expects this business model transition will significantly increase long- term revenue growth rate by (1) attracting new customers, (2) increasing the percentage of recurring revenue and (3) thereby driving higher

Management's review

average recurring revenue per customer. Additionally, the shift to a cloud model along with subscription will increase the company's recurring revenue.

Current plans and expectations involve building a stronger position in several geographic regions, creating new business model offerings, enhancing the partner network, leveraging strategic alliances and the continued strengthening of Sitecore's products and services through development and acquisition.

Sitecore expects revenue to continue to trend upwards by 10-20% during fiscal year 2023 as we start to see the benefit from new product launches and other growth initiatives. Given the market opportunity, Sitecore will continue to aggressively invest in sales, product development, customer support, and distribution at times in advance of revenue. Costs associated with the integration of recent acquisitions and investment in the Group's sales, go-to-market, and development teams contributed to a short-term decrease in EBITDA margin in fiscal 2022, but the results of these investments are expected to result in increasing profitability in future years.

Financial statements 1 July 2021 - 30 June 2022

Income statement

Note	DKK'000	2021/22	2020/21
	Revenue	141,197	113,507
	COGS	-132,227	-105,311
	Gross Profit	8,970	8,196
	Other external costs	-4,734	-4,741
	Profit before net financials	4,236	3,455
4	Financial income	6,649	2
5	Financial expenses	-59	-5,697
	Profit/loss before tax	10,826	-2,240
6	Tax for the year	-2,562	-796
	Profit/loss for the year	8,264	-3,036

Financial statements 1 July 2021 - 30 June 2022

Balance sheet

Note	DKK'000	2021/22	2020/21
	ASSETS		
	Non-current assets		
	Financial assets		
	Other receivables	3,671	2,994
		3,671	2,994
	Total non-current assets	3,671	2,994
	Current assets		
	Receivables		
	Trade receivables	41,493	35,940
	Contract assets (Unbilled Receivables)	21,401	10,527
	Other receivables	1,878	2,395
	Prepayments	4	1,357
		64,776	50,219
	Cash	7,510	0
	Total current assets	72,286	50,219
	TOTAL ASSETS	75,958	53,213
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	500	500
	Retained earnings	15,729	7,461
	Total equity	16,229	7,961
	Liabilities		
0	**Non-current liabilities**		
	Deferred tax	349	555
	Deferred income	5,549	3,864
	Total non-current liabilities	5,898	4,419
	Current liabilities		
	Deferred income	36,548	27,341
	Trade payables	6,176	6,578
	Payables to group enterprises	10,913	5,510
	Joint taxable contribution payable	—	337
	Other payables	194	1,067
	Total current liabilities	53,831	40,833
		59,729	45,252
	TOTAL EQUITY AND LIABILITIES	75,958	53,213

1 Accounting policies
2 Recognition and measurement uncertainties
3 Capital matters
8 Contractual obligations and contingencies, etc.
9 Collateral
10 Related parties

Financial statements 1 July 2021 - 30 June 2022

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 July 2020	500	10,488	10,988
11	Transfer, see "Appropriation of profit/loss"	0	-3,036	-3,036
	Group share-based payment transactions	0	9	9
	Equity at 1 July 2021	500	7,461	7,961
11	Transfer, see "Appropriation of profit/loss"	0	8,264	8,264
	Group share-based payment transactions	0	4	4
	Equity at 30 June 2022	500	15,729	16,229

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies

The annual report of Sitecore International A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Changes in accounting policies

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

Omission of a cash flow statement

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

Reporting currency

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

Foreign currency translation

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

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

Income statement

Revenue

Revenue is mainly derived from fees charged for software licenses fees, software maintenance fees, and other services comprised of hosting, consulting and education services. For software contracts, which are comprised of several components, the total contract fees or transaction price is allocated to the separate performance obligations for the purpose of revenue recognition.

Revenue recognition requires an agreement with the customer, which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected.

Revenue is recognized when the customer has obtained control of the license or service and has the ability to use and obtain substantially all of the benefits from the license or service.

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

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

Software license:

Software license revenue represents fees earned from the sale or license of software to customers for use on the customers premises. In other words, where the customer has the right to use and take possession of the software for installation on the customers premises or on hardware of third-party hosting providers unrelated to Sitecore or hosted in Sitecore's managed cloud environment.

Software licenses are sold as perpetual licenses or as term subscription licenses, limiting access to the software to a specified term, typically a period of one to three years. Arrangements with the customers typically do not include general right of returns. Term subscription license is generally offered under renewable, fixed fee contracts where payments are typically due annually in advance and may have a term of one year or multiple years. Perpetual license is typically invoiced in full at contract signing. Invoice payment term for all revenue types typically range from 30 to 90 days of invoicing.

On premise software license revenue from term subscription or perpetual licenses is recognized upfront, as the performance obligation is satisfied at the point in time when the software is made available to a customer to download and use.

Maintenance services:

Maintenance revenue represents fees earned from providing customers with support services that comprise of technical product support and unspecified future software updates, upgrades, and enhancements for on-premise software products.

Maintenance revenue is typically recognized ratably over the term of the support arrangement, as the performance obligation is satisfied over time. Maintenance services are a stand ready performance obligation to provide technical product support and unspecified updates, upgrades, and enhancements on a when-and-if-available basis. The Company's customer simultaneously receives and consumes the benefits of these support services as the Company performs. Subsequent annual maintenance related to perpetual license is invoiced annually in advance.

Services and other:

Other services revenue primarily represents fees earned from hosting services, consulting services and education services. Time and material contracts are generally invoiced based upon hours incurred on a monthly basis and fixed fee contracts may be invoiced up-front or as milestones are achieved throughout the project. Services revenue is generally recognized as the services are delivered and performance obligation is satisfied over time.

Transaction price allocation:

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

License maintenance contracts are generally priced as a percentage of the net fees paid by the customer to access the license.

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

Costs to obtain a contract:

The Company recognizes an asset for the incremental costs of obtaining contracts with customers that are directly associated with the contract if those costs are expected to be recoverable, and records them in Other receivables in the balance sheet. The current portion of the deferred commissions balances are included in other current assets and the non-current portion of the deferred commissions balances are included in other non-current assets as at 30 June 2022. Incremental costs of obtaining contracts are those costs that the Company incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

The costs capitalized under the new revenue standard are primarily sales commissions paid to our sales force personnel. Capitalized costs may also include portions of fringe benefits and payroll taxes associated with compensation for incremental costs to acquire customer contracts and incentive payments to partners.

Capitalized costs to obtain a contract are amortized over the expected period of benefit, which we have determined, to be 4 years. Amortization of capitalized costs are presented in external expenses in the income statement.

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 recognized in revenue.

Cost of sales

Cost of sales includes the cost of services used in generating the year's revenue.

External expenses

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

Financial income and expenses

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

Tax

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

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

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

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Impairment of non-current assets

The carrying amount of financial assets is assessed for impairment on an annual basis.

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

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

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

Receivables

Receivables are measured at amortized cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognized if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognized on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realizable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Contract assets

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

Prepayments

Prepayments recognized under “Assets” comprise prepaid expenses regarding subsequent financial reporting years.

Cash

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

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

Income taxes and deferred taxes

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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

Deferred income

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

Financial ratios

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

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

2 Recognition and measurement uncertainties

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

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

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

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

2 Recognition and measurement uncertainties (continued)

Revenue recognition:

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

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

3 Capital matters

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

4 Financial income

DKK'000	**2021/22**	**2020/21**
Interest income, group entities	1,081	0
Exchange gain	5,568	0
Other financial income	0	2
	6,649	2

5 Financial expenses

DKK'000	**2021/22**	**2020/21**
Exchange losses	0	5,668
Other financial expenses	59	29
	59	5,697

6 Tax for the year

DKK'000	**2021/22**	**2020/21**
Tax expenses for the year	2,592	337
Deferred tax benefit for the year	-206	119
Refund in joint taxation	176	340
	2,562	796

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

7 Share capital

The Company's capital consists of 5,000 shares with a nominal value of DKK 100. No shares are assigned special rights.

8 Contractual obligations and contingencies, etc.

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.

9 Collateral

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

10 Related parties

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

Control

Sitecore Holding II A/S, Vester Farimagsgade 3, 1606, Copenhagen V, Denmark.

Sitecore Holding II A/S holds the majority of the contributed capital in the Company

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

The consolidated financial statements of Sitecore Holding II A/S can be obtained by contacting the companies at the above address.

DKK'000	**2021/22**
Sales of goods to associates	—
Purchase of services from Group Enterprises	132,084
Sales of goods to subsidiary	—
Purchase of goods from subsidiary	—
Total	132,084

Payables to Group Enterprises are disclosed in the balance sheet, and the interest income is disclosed in note 4.

11 Appropriation of profit/loss

DKK'000	**2021/22**	**2020/21**
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	8,264	-3,036
	8,264	-3,036

Financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

13 Staff

The Company has no employees. The company's activities, including management, are delivered by other group companies through services. The payment for the management function is not significant.