Komfo ApS

Vestergade 29 - 31, 1. sal, 1456 København K

CVR No. 32 66 34 78

Annual report
for the year ended 30 June 2015

Approved at the annual general meeting of shareholders on

Chairman:

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Rasmus Heilskov Møller-Nielsen

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Company details

Name	Komfo ApS
Address, Postal code, City	Vestergade 29 - 31, 1. sal, 1456 København K
CVR No.	32 66 34 78
Established	29 December 2009
Registered office	København
Financial year	1 July - 30 June
Board of Directors	Michael Seifert, Chairman Rasmus Heilskov Møller-Nielsen Michael Andreas Hansen
Executive Board	Rasmus Heilskov Møller-Nielsen, CEO
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

Operating review

The Company's business review

The Company's object is to develop and sell licenses for software and related activities with the goal of helping the Company's customers to success in social media.

Financial review

Market review
The market for social media software has been growing significantly and the Company expect it will continue to do so, as social media takes centre stage within marketing departments. The Company has a solid market share in Northern Europe and expect this will grow further in the coming year, as well as growth is expected in new markets due to the Company's strong position and product offering.

Profit/loss for the period amounts to a loss of DKK 5.829k, which is in line with expectations but not satisfactory. The Company has seen a satisfactory revenue growth, and an increase in staff cost has been necessary to establish a solid product and sales platform for continued growth.
Continued revenue growth is expected for 2015/16 but with staff costs stabilizing and thus Management expects a positive result for 2015/16.

Capital Structure
Due to the negative result in 2014/15, the Company has lost its equity. The Company expect to generate a positive result for 2015/16 which will partly or in full re-establish the equity.
The Company expect to generate positive cash flows which combined with the existing credit facilities means that Management considers the Company's cash capital resources to be sufficient to carry out the Company's planned strategy. For a further description, please refer to Note 2 to the financial statements.

Post balance sheet events

The Company has received a temporary increase of its credit facilities which will expire on December 15th, 2015. The increase has been made available to accommodate a temporary spike in liquidity requirements during the first 6 months of 2015/16. The Company does not expect any liquidity issues as a result of the temporary increase expiring on December 15th, 2015.

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Komfo ApS for the financial year 1 July 2014 - 30 June 2015.

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 Company's financial position at 30 June 2015 and of the results of the Company's operations for the financial year 1 July 2014 - 30 June 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 30 November 2015

Executive Board:

Rasmus Heilskov Møller-Nielsen
CEO

Board of Directors:

Michael Seifert Chairman	Rasmus Heilskov Møller-Nielsen	Michael Andreas Hansen

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To the shareholders of Komfo ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Komfo ApS for the financial year 1 July 2014 - 30 June 2015, which comprise an 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.

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. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the 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 that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the 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.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2015 and of the results of its operations for the financial year 1 July 2014 - 30 June 2015 in accordance with the Danish Financial Statements Act.

Emphasis-of-matter paragraph concerning matters in the financial statements

Without modifying our opinion, we draw attention to note 2 to the Annual Report, which describes the capital ressources and the basis for the going concern assumption.

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Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 30 November 2015
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Peter Gath
state authorised public accountant

Kim Nicolajsen
state authorised public accountant

Income statement for the period 1 July 2014 - 30 June 2015

Notes		2014/15 12 months DKK	2014 6 months DKK
	Gross profit	9,802,242	3,036,140
3	Staff costs	-11,547,951	-6,152,398
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-5,732,975	-4,454,416
	Operating profit/loss	-7,478,684	-7,570,674
	Financial expenses	-167,300	-115,148
	Profit/loss before tax	-7,645,984	-7,685,822
4	Tax for the year	1,816,924	1,658,904
	Profit/loss for the year	-5,829,060	-6,026,918
	Recommended appropriation of the profit/loss for the year		
	Retained earnings	-5,829,060	-6,026,918
		-5,829,060	-6,026,918

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Balance sheet at 30 June

Notes		30/6 2015 DKK	30/6 2014 DKK
	Assets		
	Fixed assets		
	Completed development projects	8,140,836	6,780,000
5	**Intangible assets**	8,140,836	6,780,000
	Other fixtures and fittings, tools and equipment	103,185	174,503
6	**Property, plant and equipment**	103,185	174,503
7	Investments in group entities at cost	50,153	50,153
	Other receivables	268,800	268,800
	Investments	318,953	318,953
	Total fixed assets	8,562,974	7,273,456
	Current assets		
	Trade receivables	2,241,212	2,519,982
	Receivables from group entities	167,102	226,000
	Income taxes receivable	1,816,622	2,365,180
	Prepayments	153,807	0
	Receivables	4,378,743	5,111,162
	Cash	33,606	2,017,585
	Total current assets	4,412,349	7,128,747
	Total assets	12,975,323	14,402,203

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Balance sheet at 30 June

Notes		30/6 2015 DKK	30/6 2014 DKK
	Equity and liabilities		
	Equity		
8	Share capital	201,227	191,813
	Share premium account	9,967,049	7,119,321
	Retained earnings/Accumulated loss	-13,877,316	-8,048,256
	Total equity	-3,709,040	-737,122
	Liabilities		
	Bank debt	698,815	24,450
	Trade payables	432,627	1,751,275
	Payables to group entities	413,006	0
	Deferred income	10,825,139	8,575,898
	Other payables	4,314,776	4,787,702
	Short-term liabilities	16,684,363	15,139,325
	Total liabilities	16,684,363	15,139,325
	Total equity and liabilities	12,975,323	14,402,203

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(DKK)	Share capital	Share premium	Retained earnings	Total
Equity at 1/7 2014	191,813	7,119,321	-8,048,256	-737,122
Capital increase	9,414	2,847,728	0	2,857,142
Profit/loss for the year, cf. appropriation of profit/loss			-5,829,060	-5,829,060
Equity at 30/6 2015	201,227	9,967,049	-13,877,316	-3,709,040

1. Accounting policies

The annual report of Komfo ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income statement

Revenue

Income from the sale of goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Cost of sales

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

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

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

The cost for completed development projects is amortised over the expected useful life.

The estimated useful lives for intangible assets are as follows:

	Useful life (year)
Completed development projects	3

1. Accounting policies - continued

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful lives of the assets are as follows:

	Useful life (year)
Other fixtures and fittings, tools and equipment	5

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses.

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.

Balance sheet

Intangible assets

Development projects are capitalised if they are clearly defined and identifiable and the following recognition criteria can be satisfied:

- the technical feasibility of completing the project can be demonstrated,
- plans are to produce and market the product or to use the product or the process,
- sufficient technical and financial resources to complete and use or sell the project are available,
- it is probable that the project will generate future economic benefits and that a potential, future market or possibility of internal use in the entity exists,
- the cost can be made up reliably.

Development costs not satisfying the above criteria are expensed in the income statement as incurred.

The cost of development projects is measured at direct costs incurred as well as a portion of costs indirectly attributable to the individual development projects.

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.

Investments in group entities

Investments in subsidiaries are measured at cost. Dividends received which exceed the accumulated earnings in the subsidiary in the period of ownership are treated as a cost reduction.

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment as well as investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

1. Accounting policies - continued

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

2. Uncertainty as to going concern

The Company expects continued growth in revenue in 2015/16 with stabilized staff costs and thus Management expects a positive result for 2015/16.
Management expects that the existing capital resources will be sufficient to ensure the Company's going concern. This is based on the operating budgets and cash flow forecasts prepared for 2015/16, which shows positive cash flows from operations. Furthermore, addtional financial resources have been made available by the shareholders. Management will continually monitor developments in respect of the operating budgets and cash flows forecasts prepared in order to ensure that the necessary capital resources are available in this respect. On this basis the Annual Report is prepared under the going concern assumption.

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	2014/15 12 months DKK	2014 6 months DKK
3. Staff costs		
Analysis of staff costs:		
Wages/salaries	10,294,294	5,266,903
Pensions	818,815	647,026
Other social security costs	65,146	84,080
Other staff costs	369,696	154,389
	11,547,951	6,152,398

	2014/15 12 months DKK	2014 6 months DKK
4. Tax for the year		
Deferred tax adjustments in the year	-1,816,622	-1,661,896
Tax adjustments, prior years	-302	0
Change in tax rate	0	2,992
	-1,816,924	-1,658,904

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5. Intangible assets

(DKK)	Completed development projects
Cost	
Balance at 1/7 2014	14,286,601
Additions in the year	5,884,563
Cost at 30/6 2015	20,171,164
Amortisation and impairment losses	
Balance at 1/7 2014	7,506,601
Amortisation in the year	4,523,727
Amortisation and impairment losses at 30/6 2015	12,030,328
Carrying amount at 30/6 2015	8,140,836

6. Property, plant and equipment

(DKK)	Other fixtures and fittings, tools and equipment
Cost	
Balance at 1/7 2014	342,054
Additions in the year	0
Cost at 30/6 2015	342,054
Depreciation and impairment losses	
Balance at 1/7 2014	167,551
Depreciation in the year	71,318
Depreciation and impairment losses at 30/6 2015	238,869
Carrying amount at 30/6 2015	103,185

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7. Investments

(DKK)	Group entities in total
Cost	
Balance at 1/7 2014	50,153
Additions in the year	0
Cost at 30/6 2015	50,153
Impairment losses	
Balance at 1/7 2014	0
Impairment losses at 30/6 2015	0
Carrying amount at 30/6 2015	50,153

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7. Investments - continued

	Legal form	Domicile	Interest (%)	Equity DKK	Profit/loss DKK
Subsidiaries					
Komfo	Ltd.	Bulgaria	100.00	217,430	57,220

8. Share capital

	2014/15 DKK	2014 DKK	2012/13 DKK	2011/12 DKK	2010/11 DKK
Analysis of changes in the share capital over the past 5 years:					
Opening balance	191,813	168,276	0	0	0
Capital increase	9,414	23,537	150,000	150,000	150,000
Capital reduction	0	0	18,276	0	0
Closing balance	201,227	191,813	168,276	150,000	150,000

9. Security for loans

The Company has entered into an agreement with Vækstfonden, in which Vækstfonden has provided a guarantee for the Company's loan to Danske Bank. The maximum limit of the guarantee is DKK 1.5m which contributes to a credit facility for the Company in the future.

As security for all balances with Danske Bank, a general floating charge has been provided in the Company's claims against debtors. The charge totals mDKK 2,0.

10. Contingent liabilities and other financial obligations

Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	552,033	744,885

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11. Related parties

Information about consolidated financial statements:

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Sitecore Corporation A/S	Denmark	Danish Business Authority

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Easy Soft Ltd.	United Kingdom
Jarlov Holding ApS	Denmark
Go Group Holding ApS	Denmark
Sitecore Corporation A/S	Denmark