TEMENOS DENMARK ApS

Lyngbyvej 2, DK-2100 København Ø

Annual Report for 1 January - 31 December 2019

CVR No 37 07 46 08

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 6 /7 2020

Steen Dejnbjerg Jensen
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Temenos Denmark ApS for the financial year 1 January - 31 December 2019.

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 at 31 December 2019 of the Company and of the results of the Company operations for 2019.

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

Copenhagen, 6 July 2020

Executive Board

Anders Holm	Steen Dejnbjerg Jensen	Bent Winkel

Independent Auditor's Report

To the Shareholder of Temenos Denmark ApS

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Temenos Denmark ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

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

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

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

- 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.

Hellerup, 6 July 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Steffen Kaj Pedersen
statsautoriseret revisor
mne34357

Company Information

The Company	Temenos Denmark ApS Lyngbyvej 2 DK-2100 København Ø CVR No: 37 07 46 08 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Executive Board	Anders Holm Steen Dejnbjerg Jensen Bent Winkel
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management’s Review

Key activities

The company's purpose is consultancy as well as implementation services and other related activities.

Development in the year

The income statement of the Company for 2019 shows a profit of EUR 943,394, and at 31 December 2019 the balance sheet of the Company shows equity of EUR 2,594,716.

Subsequent events

The Company’s outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 1. It is, however, too early yet to give an opinion as to the extent of the negative implications on the Company’s outlook.

Income Statement 1 January - 31 December

	Note	2019 EUR	2018 EUR
Gross profit/loss		**6,990,240**	**4,778,169**
Staff expenses	2	-5,654,689	-4,127,328
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-133,846	-37,309
Profit/loss before financial income and expenses		**1,201,705**	**613,532**
Financial income		68,354	71,776
Financial expenses		-60,893	-109,576
Profit/loss before tax		**1,209,166**	**575,732**
Tax on profit/loss for the year	3	-265,772	-135,962
Net profit/loss for the year		**943,394**	**439,770**

Distribution of profit

Proposed distribution of profit

Retained earnings	943,394	439,770
	943,394	**439,770**

Balance Sheet 31 December

Assets

	Note	2019	2018
		EUR	EUR
Land and buldings		213,592	0
Other fixtures and fittings, tools and equipment		114,207	147,819
Property, plant and equipment	4	**327,799**	**147,819**
Fixed assets		**327,799**	**147,819**
Trade receivables		186,939	231,488
Receivables from group enterprises		3,282,691	2,200,659
Other receivables		59,868	65,598
Deferred tax asset		2,680	0
Prepayments		8,620	20,999
Receivables		**3,540,798**	**2,518,744**
Cash at bank and in hand		**99,794**	**364,273**
Currents assets		**3,640,592**	**2,883,017**
Assets		**3,968,391**	**3,030,836**

Balance Sheet 31 December

Liabilities and equity

	Note	2019 EUR	2018 EUR
Share capital		6,702	6,702
Other reserves		-9,501	987
Retained earnings		2,597,515	1,654,121
Equity		**2,594,716**	**1,661,810**
Lease obligations		107,265	0
Other payables		175,069	0
Long-term debt	5	**282,334**	**0**
Lease obligations	5	100,450	0
Trade payables		146,079	328,565
Corporation tax		222,758	122,376
Other payables	5	554,076	438,595
Deferred income		67,978	479,490
Short-term debt		**1,091,341**	**1,369,026**
Debt		**1,373,675**	**1,369,026**
Liabilities and equity		**3,968,391**	**3,030,836**

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Statement of Changes in Equity

	Share capital	Other reserves	Retained earnings	Total
	EUR	EUR	EUR	EUR
Equity at 1 January	6,702	-8,514	1,654,121	1,652,309
Transfers, reserves	0	-987	0	-987
Net profit/loss for the year	0	0	943,394	943,394
Equity at 31 December	**6,702**	**-9,501**	**2,597,515**	**2,594,716**

Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to ”close down their countries” will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

	2019	2018
	EUR	EUR
2 Staff expenses		
Wages and salaries	5,450,280	3,858,080
Pensions	105,597	125,839
Other social security expenses	8,545	8,291
Other staff expenses	90,267	135,118
	5,654,689	**4,127,328**
Average number of employees	**39**	**35**

3 Tax on profit/loss for the year

	2019	2018
Current tax for the year	270,000	127,913
Deferred tax for the year	-2,680	0
Adjustment of tax concerning previous years	-1,548	8,049
	265,772	**135,962**

Notes to the Financial Statements

4 Property, plant and equipment

	Land and buldings	Other fixtures and fittings, tools and equipment
	EUR	EUR
Cost at 1 January	0	216,401
Additions for the year	305,132	14,090
Cost at 31 December	305,132	230,491
Impairment losses and depreciation at 1 January	0	68,582
Depreciation for the year	91,540	47,702
Impairment losses and depreciation at 31 December	91,540	116,284
Carrying amount at 31 December	**213,592**	**114,207**

5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019	2018
	EUR	EUR
Lease obligations		
Between 1 and 5 years	107,265	0
Long-term part	107,265	0
Within 1 year	100,450	0
	207,715	**0**
Other payables		
Between 1 and 5 years	175,069	0
Long-term part	175,069	0
Other short-term payables	554,076	438,595
	729,145	**438,595**

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has no contingent liabilities as of 31 December 2019.

7 Related parties

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

Temenos Software Luxembourg S.A.

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Temenos Denmark ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2019 are presented in EUR.

Changes in accounting policies

With effect as from the financial year 2019, Temenos Denmark ApS has chosen to apply the options of the Danish Financial Statements Act of applying IFRS 15, Revenue from contracts with customers, and IFRS 16, Leases, within the framework of the Act. Thus, the Company has changed its accounting policies, see below.

The Company's accounting policies have been changed as it is Management's assessment that the changed accounting policies give a truer and fairer view of the financial position and the results of the Company.

IFRS 15, Revenue from contracts with customers

Temenos Denmark ApS has changed its accounting policy for the recognition of revenue from contracts with customers so that now IFRS 15 is applied as basis for the recognition and measurement of revenue. The change of accounting policy is based on the transitional rules of IFRS 15:

-comparative figures have not been restated; thus, the effect of the change of accounting policy has been recognised as an opening adjustment at 1 January 2019;
-contracts completed before 1 January 2019 according to the previous accounting policy are not reassessed.

Thus, the new rules are applied to transactions carried out on or after 1 January 2019 or transactions that were in progress at the beginning of the financial year. Comparative figures have not been restated under the new accounting policy.

The accounting policy change has had an immaterial effect on revenue, net profit, assets and equity.

The change means that, going forward, the Company's contract work in progress will be treated as contract assets. Contract assets may also comprise certain other items. Going forward, any prepayment will be recognised as a contract liability.

Notes to the Financial Statements

8 Accounting Policies (continued)

IFRS 16, Leases

Temenos Denmark ApS has also changed its accounting policy for leases so that now IFRS 16 is applied to leases. Thus, leased assets are recognised at a calculated value and are depreciated over their expected useful lives, whereas the lease liability is recognised in the balance sheet.

The change of accounting policy has been implemented applying the modified retrospective transition approach based on the transition rules of IFRS 16:

-contracts not previously classified as leases have not been reassessed;
-comparative figures have not been restated; thus, the effect of the change of accounting policy has been recognised as an opening adjustment of retained earnings at 1 January 2019;
-in respect of leases previously classified as operating leases, a lease liability is recognised and measured corresponding to the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2019 - lease assets are recognised at the same value adjusted for prepaid or accrued lease payments;
-in respect of leases classified to date as operating leases for which onerous lease provisions have been recognised, the lease asset has been adjusted by the amount of the onerous lease provisions at 1 January 2019;
-leases for which the term ends within 12 months from 1 January 2019 are not included in the balance sheet;
-in respect of leases previously classified as finance leases, the values at 1 January 2019 have been maintained.

The accounting policy change has had the following effect on net profit, assets and equity:

In connection with the implementation of IFRS 16, Temenos Denmark ApS has recognised a lease asset of EUR 213,592 and a lease liability of EUR 207,715 thus, the effect on equity is EUR 9,501.

Apart from the implementation of IFRS 15 and IFRS 16, the accounting policies applied remain unchanged compared to previous years.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.

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.

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

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold 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 Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Notes to the Financial Statements

8 Accounting Policies (continued)

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

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

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

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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Notes to the Financial Statements

8 Accounting Policies (continued)

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	3-10	years

Depreciation period and residual value are reassessed annually.

Assets costing less than EUR 1,810 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

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 and interest.

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 crystallise 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.

Notes to the Financial Statements

8 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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.