



Sapiens Software Solutions Denmark ApS

Himmelev Bygade 70, 4000 Roskilde

Company reg. no. 38 02 90 88

Annual report

22 September 2016 - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 16 May 2018.

Patrick Slattery
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The executive board has today presented the annual report of Sapiens Software Solutions Denmark ApS for the financial year 22 September 2016 to 31 December 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 22 September 2016 to 31 December 2017.

At the board meeting on the 16 May 2018 it will be decided that the annual accounts for 2018 onwards are not subject to audit. The executive board considers the requirements of omission of audit as met.

The annual report is recommended for approval by the general meeting.

Copenhagen, 14 May 2018

Executive board

Roni Giladi

Ron Al Dor

Independent auditor's report

To the shareholders of Sapiens Software Solutions Denmark ApS

Opinion

We have audited the annual accounts of Sapiens Software Solutions Denmark ApS for the financial year 22 September 2016 to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations for the financial year 22 September 2016 to 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Roskilde, 14 May 2018

RIR REVISION

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 78 05 24

Birgit Sode

State Authorised Public Accountant
MNE-nr. 28909

Company data

The company

Sapiens Software Solutions Denmark ApS
Himmelev Bygade 70
4000 Roskilde

Company reg. no. 38 02 90 88
Established: 22 September 2016
Domicile: Copenhagen
Financial year: 22 September - 31 December
1st financial year

Executive board

Roni Giladi
Ron Al Dor

Auditors

RIR REVISION Statsautoriseret Revisionspartnerselskab

Profit and loss account

<u>Note</u>	22/9 2016 - 31/12 2017
Net turnover	2.801.737
Other external costs	<u>-352.089</u>
Gross results	2.449.648
2 Staff costs	<u>-2.272.698</u>
Operating profit	176.950
Other financial costs	<u>-41.051</u>
Results before tax	135.899
3 Tax on ordinary results	<u>-30.140</u>
Results for the year	<u>105.759</u>
 Proposed distribution of the results:	
Allocated to results brought forward	<u>105.759</u>
Distribution in total	<u>105.759</u>

Balance sheet

<u>Note</u>	<u>31/12 2017</u>
Assets	
Current assets	
Amounts owed by group enterprises	203.745
Receivable corporate tax	2.860
Other debtors	12.144
Accrued income and deferred expenses	673
Debtors in total	<u>219.422</u>
Available funds	<u>163.408</u>
Current assets in total	<u>382.830</u>
Assets in total	<u>382.830</u>
Equity and liabilities	
Equity	
4 Contributed capital	50.000
5 Results brought forward	105.759
Equity in total	<u>155.759</u>
Liabilities	
Trade creditors	66.062
Other debts	161.009
Short-term liabilities in total	<u>227.071</u>
Liabilities in total	<u>227.071</u>
Equity and liabilities in total	<u>382.830</u>

1 The significant activities of the enterprise

Notes

1. The significant activities of the enterprise

The company is part of Sapiens International Corporation which is a leading global provider of software solutions for the insurance industry, with a growing presence in the financial services sector.

	22/9 2016 - 31/12 2017
2. Staff costs	
Salaries and wages	2.116.642
Pension costs	137.531
Other costs for social security	7.571
Other staff costs	10.954
	<u>2.272.698</u>
 Average number of employees	 <u>1</u>
3. Tax on ordinary results	
Tax of the results for the year	<u>30.140</u>
	<u>30.140</u>
	 <u>31/12 2017</u>
4. Contributed capital	
Contributed capital opening balance	<u>50.000</u>
	<u>50.000</u>
5. Results brought forward	
Profit or loss for the year brought forward	<u>105.759</u>
	<u>105.759</u>

Accounting policies used

The annual report for Sapiens Software Solutions Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The balance sheet

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.