
Sapiens Software Solutions Denmark ApS

Himmelev Bygade 70, DK-4000 Roskilde

Annual Report for 1 January - 31 December 2020

CVR No 38 02 90 88

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
8 /7 2021

Patrick Slattery
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Sapiens Software Solutions Denmark ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

Roskilde, 8 July 2021

Executive Board

Roni Giladi
Executive Officer

Ron Al Dor
Executive Officer

Practitioner's Statement on Compilation of Financial Statements

To the Management of Sapiens Software Solutions Denmark ApS

We have compiled the Financial Statements of Sapiens Software Solutions Denmark ApS for the financial year 1 January - 31 December 2020 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and IESBA's Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hillerød, 8 July 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen

statsautoriseret revisor

mne17120

Company Information

The Company

Sapiens Software Solutions Denmark ApS
Himmelev Bygade 70
DK-4000 Roskilde

CVR No: 38 02 90 88

Financial period: 1 January - 31 December

Municipality of reg. office: Roskilde

Executive Board

Roni Giladi

Ron Al Dor

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Milnersvej 43

DK-3400 Hillerød

Management's Review

Key activities

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

Development in the year

The income statement of the Company for 2020 shows a loss of TDKK 5,356, and at 31 December 2020 the balance sheet of the Company shows negative equity of TDKK 4,639.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2020 TDKK	2019 TDKK
Gross profit/loss		-286	4,598
Staff expenses	2	-3,463	-3,971
Profit/loss before financial income and expenses		-3,749	627
Financial income	3	2	0
Financial expenses	4	-1,609	-20
Profit/loss before tax		-5,356	607
Tax on profit/loss for the year	5	0	-134
Net profit/loss for the year		-5,356	473

Distribution of profit

Proposed distribution of profit

Retained earnings		-5,356	473
		-5,356	473

Balance Sheet 31 December

Assets

	Note	2020 TDKK	2019 TDKK
Investments in subsidiaries	6	476,055	0
Deposits		0	35
Fixed asset investments		476,055	35
Fixed assets		476,055	35
Receivables from group enterprises		903	637
Other receivables		432	136
Corporation tax receivable from group enterprises		56	0
Prepayments		3	7
Receivables		1,394	780
Cash at bank and in hand		1,415	736
Currents assets		2,809	1,516
Assets		478,864	1,551

Balance Sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital		50	50
Retained earnings		-4,689	667
Equity		-4,639	717
Payables to group enterprises		480,000	0
Other payables		253	168
Long-term debt	7	480,253	168
Trade payables		209	92
Payables to group enterprises	7	2,740	37
Corporation tax		0	120
Other payables	7	301	417
Short-term debt		3,250	666
Debt		483,503	834
Liabilities and equity		478,864	1,551
Going concern	1		
Contingent assets, liabilities and other financial obligations	8		
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	50	667	717
Net profit/loss for the year	0	-5,356	-5,356
Equity at 31 December	50	-4,689	-4,639

Notes to the Financial Statements

1 Going concern

The company has realized a negative equity, and is therefor subject to the rules of going concern. Management expects to reaquire the equity through regular operations.

	<u>2020</u> TDKK	<u>2019</u> TDKK
2 Staff expenses		
Wages and salaries	3,023	3,516
Pensions	390	432
Other social security expenses	23	23
Other staff expenses	27	0
	<u>3,463</u>	<u>3,971</u>
Average number of employees	<u>3</u>	<u>3</u>
3 Financial income		
Exchange gains	2	0
	<u>2</u>	<u>0</u>
4 Financial expenses		
Interest paid to group enterprises	1,595	0
Other financial expenses	14	1
Exchange adjustments, expenses	0	12
Exchange loss	0	7
	<u>1,609</u>	<u>20</u>
5 Tax on profit/loss for the year		
Current tax for the year	0	134
	<u>0</u>	<u>134</u>

Notes to the Financial Statements

	2020 TDKK	2019 TDKK
6 Investments in subsidiaries		
Cost at 1 January	0	0
Additions for the year	476,055	0
Cost at 31 December	476,055	0
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
Carrying amount at 31 December	476,055	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Thor Denmark Holding ApS	Virum	10,639	100%	476,055	-133,563

7 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:

Payables to group enterprises

Between 1 and 5 years	480,000	0
Long-term part	480,000	0
Other short-term debt to group enterprises	2,740	37
	482,740	37

Other payables

Between 1 and 5 years	253	168
Long-term part	253	168
Other short-term payables	301	417
	554	585

Notes to the Financial Statements

8 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9 Related parties

Basis

Consolidated Financial Statements

The company is a part of the Group Annual Report for the following company:

<u>Name</u>	<u>Place of registered office</u>
Sapiens International Cooperation N.V	Cayman Islands

The Group Annual Report of Sapiens International Cooperation N.V may be obtained at the following address:
<https://www.sapiens.com/press-releases/sapiens-reports-q4-and-full-year-2020-financial-results/>

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Sapiens Software Solutions Denmark ApS for 2020 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 accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in TDKK.

Recognition and measurement

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

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

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

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

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

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.

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

Other external expenses

Other external expenses comprise 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.

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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

10 Accounting Policies (continued)

Balance Sheet

Investments in subsidiaries

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

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

Financial debts

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