BEIERHOLM
VI SKABER BALANCE

Sapiens Software Solutions Denmark ApS

Bredevej 2, 2830 Virum

CVR no. 38 02 90 88

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 17.07.22

Roni Giladi
Dirigent

Table of contents

Company information etc.

The company

Sapiens Software Solutions Denmark ApS
Bredevej 2
2830 Virum
Registered office: Roskilde
CVR no.: 38 02 90 88
Financial year: 01.01 - 31.12

Executive Board

Ron Al Dor
Roni Giladi

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.21 - 31.12.21 for Sapiens Software Solutions Denmark ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.21 and of the results of the company's activities for the financial year 01.01.21 - 31.12.21.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Virum, July 5, 2022

Executive Board

Ron Al Dor	Roni Giladi

Independent auditor's report

To the capital owner of Sapiens Software Solutions Denmark ApS

Opinion

We have audited the financial statements of Sapiens Software Solutions Denmark ApS for the financial year 01.01.21 - 31.12.21, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.21 and of the results of the company's operations for the financial year 01.01.21 - 31.12.21 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

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 "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

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

Statement regarding the 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 Financial Statements Act.

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

Roskilde, July 5, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Birgit Sode
State Authorized Public Accountant
MNE-no. mne28909

Primary activities

The company's activities comprise to be a part of Sapiens International Corporation NV, Dayman, which is a leading global provider of software solutions for the insurance industry, with a growing presence in the financial services sector.

The company provide technical services to other companies in Sapiens group. In 2021 the company has only one employee.

Significant changes in the company's activities

On 30 November 2020 Sapiens Denmark ApS acquired Thor (TIA group).

Development in activities and financial affairs

The income statement for the period 01.01.21 - 31.12.21 shows a profit/loss of DKK'000 -32,058 against DKK'000 -5,356 for the period 01.01.20 - 31.12.20. The balance sheet shows equity of DKK'000 -36,697.

Subsequent events

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

Income statement

Note		2021 DKK '000	2020 DKK '000
	Gross result	**1,056**	**-286**
2	Staff costs	-1,174	-3,463
	Loss before depreciation, amortisation, write-downs and impairment losses	**-118**	**-3,749**
3	Financial income	28	2
	Financial expenses	-41,351	-1,609
	Loss before tax	**-41,441**	**-5,356**
	Tax on loss for the year	9,383	0
	Loss for the year	**-32,058**	**-5,356**

Proposed appropriation account

Retained earnings	-32,058	-5,356
Total	**-32,058**	**-5,356**

Balance sheet

ASSETS

Note		31.12.21 DKK '000	31.12.20 DKK '000
	Equity investments in group enterprises	466,970	476,055
	Total investments	**466,970**	**476,055**
	Total non-current assets	**466,970**	**476,055**
	Receivables from group enterprises	10,230	883
	Income tax receivable	9,147	56
	Other receivables	79	432
	Prepayments	0	3
	Total receivables	**19,456**	**1,374**
	Cash	**987**	**1,415**
	Total current assets	**20,443**	**2,789**
	Total assets	**487,413**	**478,844**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.21 DKK '000	31.12.20 DKK '000
	Share capital	50	50
	Retained earnings	-36,747	-4,689
	Total equity	**-36,697**	**-4,639**
4	Payables to group enterprises	504,373	480,000
4	Other payables	0	253
	Total long-term payables	**504,373**	**480,253**
	Trade payables	49	209
	Payables to group enterprises	19,665	2,721
	Other payables	23	300
	Total short-term payables	**19,737**	**3,230**
	Total payables	**524,110**	**483,483**
	Total equity and liabilities	**487,413**	**478,844**

5 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Retained earnings
Statement of changes in equity for 01.01.21 - 31.12.21		
Balance as at 01.01.21	50	-4,689
Net profit/loss for the year	0	-32,058
Balance as at 31.12.21	50	-36,747

1. Information as regards going concern

The company has lost its share capital and has a negative equity of DKK 37 million. The management deems that the company will be able to reestablish the capital via future earnings.

2. Staff costs

Wages and salaries	1,053	3,023
Pensions	108	390
Other social security costs	3	9
Other staff costs	10	41
Total	1,174	3,463
Average number of employees during the year	1	3

3. Financial income

Interest, group enterprises	28	0
Foreign exchange gains	0	2
Total	28	2

4. Long-term payables

Figures in DKK '000	Outstanding debt after 5 years	Total payables at 31.12.21	Total payables at 31.12.20
Payables to group enterprises	504,373	504,373	480,000
Other payables	0	0	253
Total	504,373	504,373	480,253

5. Related parties

Notes

Controlling influence	Basis of influence
Sapiens International Cooperation N.V, Cayman Islands	Indirect shareholder

The company is included in the consolidated financial statements of the parent Sapiens International Cooperation N.V, Cayman Islands. The consolidated financial statements may be obtained at the following address: https://sapiens.com/investor-relations/sec-filings/

6. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The company is a subsidiary of Sapiens International Cooperation N.V, Cayman Islands, business registration number 341242, which prepares consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

6. Accounting policies - continued -

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

INCOME STATEMENT

Gross result

Gross result comprises revenue and cost of sales and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

6. Accounting policies - continued -

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Equity investments in group entreprises

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

6. Accounting policies - continued -

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

If dividends are distributed on equity investments in subsidiaries exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

6. Accounting policies - continued -

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.