

Sapiens Software Solutions Denmark ApS

Himmelev Bygade 70, 4000 Roskilde
CVR no. 38 02 90 88

Annual report for 2019

Company information etc.	3
Statement by the Executive Board on the annual report	4
Practitioner's compilation report	5
Income statement	6
Balance sheet	7 - 8
Statement of changes in equity	9
Notes	10 - 14

The company

Sapiens Software Solutions Denmark ApS
c/o Beierholm
Himmelev Bygade 70
4000 Roskilde
Registered office: Roskilde
CVR no.: 38 02 90 88
Financial year: 01.01 - 31.12

Executive Board

Roni Giladi
Ron Al Dor

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 01.01.19 - 31.12.19 for Sapiens Software Solutions Denmark ApS.

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

The financial statements have not been audited, and we declare that the relevant conditions have been met.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.19 and of the results of the company's activities for the financial year 01.01.19 - 31.12.19.

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

Beierholm Statsautoriseret Revisionspartnerselskab has assisted with business service and payroll service, and we hereby confirm having reviewed and approved the result of this assistance.

Roskilde, September 29, 2020

Executive Board

Roni Giladi

Ron Al Dor

To the management of Sapiens Software Solutions Denmark ApS

Based on the company's book-keeping and other information provided by the management, we have compiled the financial statements of Sapiens Software Solutions Denmark ApS for the financial year 01.01.19 - 31.12.19.

The financial statements comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

We have performed our compilation engagement in accordance with the ISRS 4410 standard on Engagements to Compile Financial Statements.

We have applied our professional expertise to assist the management 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 (Revisorloven) and the code of ethics of FSR – Danish Auditors, including principles concerning integrity, objectivity, professional competence and due care.

Management retains responsibility for the financial statements and for the accuracy and completeness of the financial information on the basis of which the financial statements are prepared and presented.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by management for the compilation of the financial statements. Accordingly, we will not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Roskilde, September 29, 2020

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Birgit Sode

State Authorized Public Accountant
MNE-no. mne28909

Income statement

Note		2019 DKK	2018 DKK
	Gross profit	4,598,420	2,760,160
2	Staff costs	-3,971,773	-2,651,179
	Operating profit	626,647	108,981
	Financial income	384	4,272
	Financial expenses	-20,078	-87
	Profit before tax	606,953	113,166
	Tax on profit or loss for the year	-133,716	-24,904
	Profit for the year	473,237	88,262
	Proposed appropriation account		
	Retained earnings	473,237	88,262
	Total	473,237	88,262

Balance sheet

ASSETS		31.12.19	31.12.18
		DKK	DKK
Note			
	Deposits	34,903	31,433
	Total investments	34,903	31,433
	Total non-current assets	34,903	31,433
	Receivables from group enterprises	637,062	364,157
	Other receivables	136,179	62,433
	Prepayments	6,940	16,389
	Total receivables	780,181	442,979
	Cash	736,640	123,720
	Total current assets	1,516,821	566,699
	Total assets	1,551,724	598,132

Balance sheet

EQUITY AND LIABILITIES		31.12.19	31.12.18
		DKK	DKK
Note			
	Share capital	50,000	50,000
	Retained earnings	667,258	194,021
	Total equity	717,258	244,021
3	Frozen vacation funds	168,044	0
	Total long-term payables	168,044	0
	Trade payables	92,311	42,518
	Payables to group enterprises	37,440	32,116
	Income taxes	119,716	24,904
	Other payables	416,955	254,573
	Total short-term payables	666,422	354,111
	Total payables	834,466	354,111
	Total equity and liabilities	1,551,724	598,132

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.19 - 31.12.19		
Balance as at 01.01.19	50,000	194,021
Net profit/loss for the year	0	473,237
Balance as at 31.12.19	50,000	667,258

1. Primary activities

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

	2019 DKK	2018 DKK
2. Staff costs		
Wages and salaries	3,516,389	2,459,882
Pensions	432,000	180,545
Other social security costs	23,384	10,752
Total	3,971,773	2,651,179
Average number of employees during the year	3	1

3. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.19
Frozen vacation funds	168,044	168,044
Total	168,044	168,044

4. 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.

The accounting policies have been applied consistently with previous years.

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).

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.

4. Accounting policies - continued -**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue and other external expenses.

Revenue

Income from the sale of services is recognised as delivery takes place. 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.

Other external expenses

Other external expenses comprise selling costs, cost of premises and administrative expenses

Staff costs

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

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.

BALANCE SHEET**Receivables**

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

4. Accounting policies - continued -

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.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

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.

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

4. Accounting policies - continued -

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.