

# Guidewire Software Denmark ApS

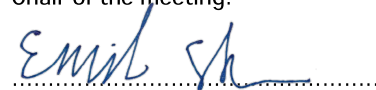
Sundkrogsgade 21, 2100 København Ø

CVR no. 40 03 71 44

## Annual report 2020/21

Approved at the Company's annual general meeting on 15 December 2021

Chair of the meeting:

A handwritten signature in blue ink, appearing to read "Emil Skov", written over a horizontal dotted line.

Emil Skov

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## Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Guidewire Software Denmark ApS for the financial year 1 August 2020 - 31 July 2021.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Executive Board has considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2021 and of the results of the Company's operations for the financial year 1 August 2020 - 31 July 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

It is proposed to the annual general meeting that the financial statements for 2021/22 should not be audited.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 15 December 2021  
Executive Board:

*Will McAllister*

William Barnes McAllister  
Director

*DFP*

David Franklin Peterson  
Director

## Management's review

### Company details

Name	Guidewire Software Denmark ApS
Address, Postal code, City	Sundkrogsgade 21, 2100 København Ø
CVR no.	40 03 71 44
Established	20 November 2018
Registered office	Copenhagen
Financial year	1 August 2020 - 31 July 2021
Executive Board	William Barnes McAllister, Director David Franklin Peterson, Director

## Management's review

### Business review

The principle activity of the company during the year was that of provision of pre sales services to its parent company, Guidewire Software Inc.

### Unusual matters having affected the financial statements

For the Company's 31 July financial statements, the Coronavirus outbreak and the related impacts are not significant. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operation or cash flows in the future.

### Financial review

The income statement for 2020/21 shows a profit of DKK 101,801 against a profit of DKK 105,599 last year, and the balance sheet at 31 July 2021 shows equity of DKK 331,610.

### Financial risks and use of financial instruments

As the Company is solely reliant upon its parent company the principal risks and uncertainties are consistent with the parent company and the rest of the Guidewire Group. We consider the principal risks and uncertainties to be:

The market for our software and services is intensely competitive. The competitors we face in any sale may change depending on, among other things, the line of business purchasing the software, the application being sold, the geography in which we are operating and the size of the insurance carrier to which we are selling. As we expand our product portfolio, we may begin to compete with software and service providers we have not competed against previously.

The cash flow and liquidity risks of the company are managed by focusing on the profit growth and improvements in working capital. Tight control is maintained over working capital with key elements reviewed by the management on a regular basis.

The economic environment can affect the performance of the company's business in terms of both sales and profitability. Through development of our products and services the company works to ensure that we deliver value to our customers. The company works to mitigate the impact of competition and external cost pressures on our customers' and the company's overall profitability through cost savings.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 August 2020 - 31 July 2021

### Income statement

Note	DKK	<u>2020/21</u>	<u>2019/20</u>
	Gross profit	2,661,369	2,785,402
2	Staff costs	-2,516,238	-2,629,245
	Depreciation of property, plant and equipment	-9,189	-9,188
	Profit before net financials	<u>135,942</u>	<u>146,969</u>
	Financial expenses	-4,735	-4,772
	Profit before tax	<u>131,207</u>	<u>142,197</u>
3	Tax for the year	-29,406	-36,598
	Profit for the year	<u><u>101,801</u></u>	<u><u>105,599</u></u>
	Recommended appropriation of profit		
	Retained earnings	<u>101,801</u>	<u>105,599</u>
		<u><u>101,801</u></u>	<u><u>105,599</u></u>

## Financial statements 1 August 2020 - 31 July 2021

### Balance sheet

Note	DKK	<u>2020/21</u>	<u>2019/20</u>
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	3,540	12,729
		<u>3,540</u>	<u>12,729</u>
	Total fixed assets	<u>3,540</u>	<u>12,729</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	76,694	19,417
	Receivables from group enterprises	329,176	803,391
	Deferred tax assets	0	291
	Other receivables	29,544	7,505
		<u>435,414</u>	<u>830,604</u>
	Cash	<u>367,085</u>	<u>263,175</u>
	Total non-fixed assets	<u>802,499</u>	<u>1,093,779</u>
	TOTAL ASSETS	<u>806,039</u>	<u>1,106,508</u>

## Financial statements 1 August 2020 - 31 July 2021

### Balance sheet

Note	DKK	<u>2020/21</u>	<u>2019/20</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
5	Share capital	50,000	50,000
	Retained earnings	<u>281,610</u>	<u>179,809</u>
	<b>Total equity</b>	<u>331,610</u>	<u>229,809</u>
	Provisions		
	Deferred tax	<u>779</u>	<u>0</u>
	<b>Total provisions</b>	<u>779</u>	<u>0</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	498	317
	Corporation tax payable	17,255	35,530
	Other payables	<u>455,897</u>	<u>840,852</u>
		<u>473,650</u>	<u>876,699</u>
		<u>473,650</u>	<u>876,699</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>806,039</u>	<u>1,106,508</u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral
- 8 Related parties



## Financial statements 1 August 2020 - 31 July 2021

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 August 2020	50,000	179,809	229,809
Transfer through appropriation of profit	0	101,801	101,801
Equity at 31 July 2021	<u>50,000</u>	<u>281,610</u>	<u>331,610</u>

## Financial statements 1 August 2020 - 31 July 2021

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Guidewire Software Denmark ApS for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, premises etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Depreciation

The item comprises depreciation of property, plant and equipment.

## Financial statements 1 August 2020 - 31 July 2021

### Notes to the financial statements

#### 1 Accounting policies (continued)

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3 years
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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

#### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

#### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

#### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

## Financial statements 1 August 2020 - 31 July 2021

### Notes to the financial statements

#### 1 Accounting policies (continued)

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Cash

Cash comprises cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

#### Income taxes and deferred taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing as the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## Financial statements 1 August 2020 - 31 July 2021

### Notes to the financial statements

DKK	2020/21	2019/20
2 Staff costs		
Wages/salaries	2,264,500	2,332,737
Pensions	247,083	289,420
Other social security costs	4,655	7,088
	2,516,238	2,629,245
 Average number of full-time employees	2	2
 3 Tax for the year		
Estimated tax charge for the year	28,336	35,530
Deferred tax adjustments in the year	1,070	1,068
	29,406	36,598
 4 Property, plant and equipment		Fixtures and fittings, other plant and equipment
DKK		
Cost at 1 August 2020		24,980
Cost at 31 July 2021		24,980
Impairment losses and depreciation at 1 August 2020		12,251
Depreciation		9,189
Impairment losses and depreciation at 31 July 2021		21,440
Carrying amount at 31 July 2021		3,540
 Depreciated over		3 years
 5 Share capital		
The Company's share capital has remained DKK 50,000 over the past 2 years.		
 6 Contractual obligations and contingencies, etc.		
Other financial obligations		
Other rent and lease liabilities:		
Rent and lease liabilities	90,000	90,000
 7 Collateral		
The Company has not provided any security or other collateral in assets at 31 July 2021.		

## Financial statements 1 August 2020 - 31 July 2021

### Notes to the financial statements

#### 8 Related parties

Guidewire Software Denmark ApS' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Guidewire Software Inc	USA	Guidewire Software Denmark ApS is 100% subsidiary of Guidewire Software Inc