IBM Global Financing Danmark ApS

Annual Report for 2024

Sundkrogsgade 11, DK-2100 København Ø.

CVR No: 37424331

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 20 May 2025

Anders Linde Reislev
Conductor

Contents

Management's Statement on the Annual Report

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of IBM Global Financing Danmark ApS for the financial year 1 January – 31 December 2024.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the affairs described.

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

Copenhagen, 20 May 2025

Executive Board

Peter Stenhøj Jørgensen

Board of Directors

Peter Stenhøj Jørgensen Chairman	Christer Renlund	Kenneth Neergaard Wienberg

Independent Auditor's Report

To the Shareholder of IBM Global Financing Danmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of IBM Global Financing Danmark ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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.

Statement on 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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as 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 ISAs 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 ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

Hellerup, 20 May 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33771231

Brian Christiansen	Leif Ulbæk Jensen
State Authorised Public Accountant	State Authorised Public Accountant
mne23371	mne23327

Company Information

The Company	IBM Global Financing Danmark ApS Sundkrogsgade 11 DK-2100 København Ø. Telephone: +4545240000 Web site: www.ibm.com/financing/dk-da/ CVR No: 37424331 Financial period: 1 January – 31 December Municipality of reg office: København.
Executive Board	Peter Stenhøj Jørgensen
Board of Directors	Peter Stenhøj Jørgensen Christer Renlund Kenneth Neergaard Wienberg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

The Annual Report of IBM Global Financing Danmark ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with addition of selected provisions from class C.

Key activities

The Company's principal activities comprise leasing including both operating and financial leases of IT equipment – and relevant financial services offered to businesses by way of loans and factoring.

Development in the period

The profit for period after tax amounts to DKK 5.527 tDKK.

Normalizing for the actions taken on the revised strategy and the market dynamics, the performance in 2024 was satisfactory and in line with expectations.

Income Statement 1 January - 31 December

	Note	2024	2023
		DKK '000	DKK '000
Gross profit		**20.769**	**23.196**
Staff expenses	1	-10.594	-9.826
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**10.175**	**13.370**
Depreciation, amortisation and impairment losses for property, plant and equipment		-1	-1
Other operating expenses		-3.323	-3.719
Other operating income		7	178
Profit before financial income and expenses		**6.858**	**9.828**
Financial income	2	2.588	3.142
Financial expenses	3	-1.929	-1.807
Profit before tax		**7.517**	**11.163**
Tax on profit for the period	4	-1.990	338
Net profit for the period		**5.527**	**11.501**

Distribution of profit

Proposed distribution of profit

Proposed/Paid dividend for the period		0	75.000
Retained earnings		5.527	-63.499
		5.527	**11.501**

Balance Sheet at 31 December

Assets	Note	2024	2023
		DKK ‘000	DKK ‘000
IT equipment		33	1.876
Total property, plant and equipment		**33**	**1.876**
Long-term lease receivables	5	85.829	117.394
Total fixed asset investments		**85.829**	**117.394**
Long-term receivables from group related companies		3.043	0
Total long-term receivables from group related companies		**3.043**	**0**
Total non-current assets		**88.905**	**119.270**
Factoring Receivables		199.759	172.503
Lease Receivables	5	92.412	101.693
Receivables from group related companies		21.584	19.101
Other receivables		0	7.034
Total receivables		**313.755**	**300.331**
Cash at bank and in hand		**752**	**221**
Current assets		**314.507**	**300.552**
Assets		**403.412**	**419.822**

Balance Sheet at 31 December

Liabilities and Equity	Note	2024	2023
		DKK '000	DKK '000
Share capital		60	60
Retained earnings		70.288	64.761
Proposed/Paid dividend for the period		0	75.000
Equity		**70.348**	**139.821**
Provision for deferred tax	6	42.866	43.128
Provisions		**42.866**	**43.128**
Payables to group related companies	7	0	19.250
Long-term debt		**0**	**19.250**
Trade payable		5.945	41.551
Payables to group related companies	7	282.011	174.808
Other payables		2.242	1.264
Short-term debt		**290.198**	**217.623**
Debt		**290.198**	**236.873**
Liabilities and equity		**403.412**	**419.822**

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Notes to the Annual report

		2024	2023
		DKK '000	DKK '000
1	**Staff expenses**		
	Payroll	8.981	7.922
	Pensions	1.600	1.890
	Other social security expenses	13	14
		10.594	**9.826**
	Average number of employees	6	6
2	**Financial income**		
	Interest income, group related companies	59	1.804
	Other financial income	2.438	1.184
	Foreign exchange gains	91	154
		2.588	**3.142**
3	**Financial expense**		
	Interest expense, group related companies	1.848	1.631
	Other financial expense	27	36
	Foreign exchange loss	54	140
		1.929	**1.807**
4	**Tax on profit for the period**		
	Current tax for the period	2.252	4.828
	Deferred tax for the period	-729	-2.397
	Adjustment of tax, previous periods	467	-2.769
		1.990	**-338**
	which breaks down as follows:		
	Tax on profit for the period	1.990	-338
		1.990	**-338**

Notes to the Annual report

		2024	2023
		DKK ‘000	DKK ‘000
5	**Lease Receivables**		
	Within 1 year	92.412	101.693
	Beetween 1 and 5 years	85.829	117.394
		178.241	**219.087**
6	**Provision for deferred tax**		
	Provision for deferred tax at 1 January	43.128	47.577
	Adjustment prior periods	467	-2.052
	Deferred tax recognised in the income statement	-729	-2.397
	Provision for deferred tax at 31 December	**42.866**	**43.128**

7 **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 related companies

Long-term part	0	19.250
Short-term part	282.011	174.808
	282.011	**194.058**

8 **Contingent assets, liabilities and other financial obligations**

Contingent liabilities, including lease and guarantee obligations as well as other contingent liabilities	895	830

The Danish IBM enterprises are jointly and severally liable for tax on the jointly taxed income etc of the IBM entities. The total accrued corporation tax is disclosed in the annual report of IBM Danmark ApS, which is the management company under the joint taxation. Moreover, the group enterprises are jointly and severally liable for Danish withholding taxes by way of dividend tax, royalty tax and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Annual report

9 Related parties and ownership

Controlling interest

IBM Global Financing Investments II B.V. holds 100% of the shares of IBM Global Financing Danmark ApS.

Place of registered office:

Johan Huizingalaan 765, 1066 VH, Amsterdam, Nederlands

The ultimate parent company that prepares consolidated financial statements in which the company is a subsidiary is International Business Machines Corporation.

Place of registered office:

New Orchard Road, Armonk, New York 10504, United States of America

Related parties

Transactions with related parties are considered to have been completed on normal market terms.

Other related parties:

Other related parties with significant influence include the company's board of directors, executive Board and senior executives as well as their family members.

Transactions with related parties:

Apart from normal management remuneration, in 2024 there have been no transactions with the Board of Directors, the Executive Board or senior executives.

10 Consolidated financial statements

The company is a part of the consolidated statement of:

Name:

IBM Global Financing Investments II B.V.

Place of registered office:

Johan Huizingalaan 765, 1066 VH, Amsterdam, Nederlands

11 Significant subsequent events

No events have occurred after the balance sheet date which materially affect the assessment of the Company’s financial position.

Notes, Accounting Policies

Basis of Preparation

The Annual Report of IBM Global Financing Danmark ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with addition of selected provisions from class C.

The Financial Statements for 2024 are presented in DKK thousands.

Adjustment to comparative figures

The company has made the adjustment to the comparative due to reclassifications in the balance sheet. The adjustment of presentation has not impacted the Income statement or Equity.

Presentation currency

The Company uses Danish kroner as the measurement currency. All other currencies are regarded as foreign currencies.

Business combinations

Intragroup business combinations are accounted for by the uniting-of-interests method without any restatement of comparative figures (the book value method). Whereby assets and liabilities acquired are measured at carrying amounts and recognized at the date at the acquisition.

The difference between the consideration agreed and the carrying amounts of the acquired assets and liabilities of the acquired enterprise is recognised in equity.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement.

Leases

Leases under which all material risks and rewards have been transferred to the lessee are classified as finance leases and are recognised in assets held under lease receivables. Finance leases are measured at the present value of future minimum lease payments. All other leases are considered operating leases.

Notes, Accounting Policies

Income statement

Revenue

Revenue comprises interest income from loans and finance leases as well as lease income from operating leases.

The Company recognises interest on loans and finance leases in the income statement when revenue can be measured reliably, and it is probable that future economic benefits will flow to the Company. Interest income is recognised based on the effective interest method.

When computing the lease income on finance leases, the interest rate implicit in the lease is applied as the discount rate and the related interest is recognised as income in the income statement.

Income from leases moreover comprises lease income from operating leases. Lease income from operating leases are recognised on a straight-line basis over the term of the leases.

Other external expenses

Other external expenses comprise expenses for premises, travel as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries, including holiday pay and pensions as well as other social security expenses, etc. to the Company's employees.

Depreciation, amortisation and impairment losses

Depreciation, amortisation, and impairment losses comprises depreciation, amortisation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest as well as realised and unrealised exchange adjustments and are recognised in the income statement at the amounts relating to the financial year.

Tax on profit for the period

Tax for the period consists of current tax for the period and deferred tax for the period. The tax attributable to the profit for the period is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax recognised in the income statement is classified as tax on ordinary activities and other taxes, respectively. The Company is jointly taxed with Danish group enterprises.

The current corporation tax is allocated to the jointly taxed enterprises in proportion to their taxable incomes.

Notes, Accounting Policies

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost with the addition of revaluations and less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost with the addition of revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

IT equipment	3-5 Years

The depreciation period and residual value of the Company’s property, plant and equipment is subjected to an annual reassessment.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Receivables

Receivables comprise loans and lease receivables.

Leases under which all material risks and rewards have been transferred to the lessee are classified as finance leases and are recognised in receivables. Receivables from finance leases are measured at the present value of future lease payments. When computing the net present value, the interest rate implicit in the lease is applied as the discount rate. Assets acquired under finance leases are not subject to any depreciation or impairment and are presented as receivables. The interest included in the lease payment is currently recognised as income in the income statement.

All other receivables are measured at the lower of amortised cost and net realisable value, which correspond to nominal value less provision for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes, Accounting Policies

Financial debts

Debt such as loans from group related companies, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently the loans are measured at the amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax on temporary differences concerning non-taxable amortisable goodwill as well as other items is not recognised where, unless arising from acquisitions, they have arisen at the date of acquisition without affecting the profit for the period or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as tax calculated on the taxable income for the period, adjusted for tax on the taxable income of previous periods and for taxes paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in financial income and expenses in the income statement.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.