



Årsregnskap for regnskapsåret 2023

Organisasjonsnr: 994 799 436
Navn/foretaksnavn: IBM FINANS NORGE AS
Forretningsadresse: Lakkegata 53
0187 OSLO

Brønnøysundregistrene
05.05.2024

Brønnøysundregistrene

Postadresse: 8910 Brønnøysund

Telefoner: Opplysningstelefonen 75 00 75 00 Telefaks 75 00 75 05

E-post: firmapost@brreg.no Internett: www.brreg.no

Organisasjonsnummer: 974 760 673



Brønnøysundregistrene - Regnskapsregisteret

2024 200000

VEDLEGG TIL ÅRSREGNSKAP 2023

IBM FINANS NORGE AS Postboks 9267 Grønland 0134 OSLO	Organisasjonsnr.	AS
	994 799 436	

Registrerte opplysninger per 29.04.2024		Eventuelle endringer dette regnskapsåret	
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Startdato	Avslutningsdato	Startdato	Avslutningsdato
01.01.2023	31.12.2023		

Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	Morselskap NEI	Endret konsernforhold	
		<input type="checkbox"/> Morselskap	<input checked="" type="checkbox"/> Ikke morselskap

Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres Ja

Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører Ja

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet Ja

Årsregnskapet er satt opp etter reglene for frivillig virksomhet Avkrysning er kun aktuelt for foreninger (FLI) som er registrert i Frivillighetsregisteret

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av IFRS selskap IFRS konsern

Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av Funksjon selskap Funksjon konsern

Følges regnskapsreglene for små foretak? Ja Nei

Jeg bekrefter at vedlagte årsregnskap er fastsatt av kompetent organ den _____ Dato

Sted/dato, Underskrift av representant for enheten

✓
Se vedlegg 7

Bare til bruk for Regnskapsregisteret

G NYVE Admr Kregn Ja Nei Aktiv. regn

M Rets Ant.s

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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BR-1001-11



IBM Finans Norge AS

IFRS Financial Statements

31 December 2023



Skattedirektoratet

Saksbehandler
Jan Hoelstad

Deres dato
24.01.2011

Vår dato
27.01.2011

Telefon
22077325

Deres referanse
Tor Arne Strømme

Vår referanse
2011/100638

International Business Machines AS
Postboks 500
1411 KOLBOTN

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk

Det vises til deres brev av 24. januar 2011 samt e-post av 26. januar 2011 med supplerende opplysninger i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- International Business Machines AS org. nr: 931 482 580
- IBM Finans Norge AS org. nr: 994 799 436
- Nordic Processor AS org. nr: 985 719 470

Bakgrunn:

IBM Finans Norge AS er et heleid datterselskap av International Business Machines AS som igjen er eid 100 % av IBM Nordic AB i Sverige. Nordic Processor AS er gjennom Nordic Processor AB og IBM Svenska AB også eid 100 % av IBM Nordic AB. Alle selskapene inngår i det amerikanske konsernet International Business Machines Corporation. IBM konsernet er nå i en prosess med innføring av IFRS som sitt regnskapsspråk. For konsernets europeiske selskap har man sentralisert kompetansen om IFRS til et felles regnskapssenter i Slovakia. Selskapenes årsregnskap vil derfor i fremtiden bli utarbeidet der, og da naturlig nok på engelsk språk. Konsernet mener en slik løsning vil gi mest korrekte IFRS regnskap.

Det er opplyst at det interne arbeidsspråket i selskapene er engelsk slik at ansatte ikke blir berørt av at det eventuelt ikke oversettes noe årsregnskap til norsk. Det er videre opplyst at selskapene ikke henvender seg til forbrukermarkedet. Varer og tjenester selges enten via forhandlere eller til forretningsmarkedet som man antar behersker engelsk. Selskapene er i det vesentlige finansiert gjennom konsernet.

Selskapene mener derfor at det ikke er interessenter til årsregnskapene som blir skadelidende av at årsregnskapet ikke blir oversatt til norsk. Nyten av å få regnskapet oversatt til norsk anses ikke å overstige kostnaden. Selskapet ønsker også tillatelse til å ha årsberetningen på norsk, da ulikt språk i årsregnskap og årsberetning anses rart, samt at konsernets ledelse og eiere også ønsker denne delen på engelsk. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

Postadresse

Postboks 9200 Grønland
0134 Oslo

For elektronisk henvendelse se www.skatteetaten.no

Besøksadresse

Se www.skatteetaten.no
Org. nr: 996250318

Sentralbord

800 80 000
Telefaks

22 17 08 60



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

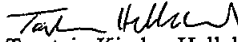
Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapene er heleid fra utlandet, og er pålagt av eier å få sine årsregnskap utarbeidet på engelsk i Slovakia. En norsk versjon vil derfor være en ren oversettelse som selskapene mener kun vil bli brukt for å oppfylle regnskapslovens språkkrav. Selskapenes ansatte benytter alt engelsk som arbeidsspråk samt at selskapene kun henvender seg til et profesjonelt marked.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de ovenfor nevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Jan Hoelstad



IBM Finans Norge AS

Financial Statements

As at 31 December 2023

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Attachments:

Independent Auditor's report



IBM Finans Norge AS

Directors' report

For the Year Ended 31 December 2023

The Nature and Location of the Operations

IBM Finans Norge AS was established October 27, 2009 and is a fully owned subsidiary of IBM Global Financing Investments II B.V. located in Netherland. The company is located in Oslo, Norway.

IBM Finans Norge AS' objective is to finance invoices (factoring) and inventory for IBM and IBM Business Partners and from Nov 1, 2016 also to finance IT solutions to end users (not private persons) with lease and loans for IBM products and services.

During 2023 IBM Financing focused as a Captive financing company only on financing solutions for IBM HW and SW as this was the new strategy launched in 2021. This impacted the number of new contracts negatively but will going forward depend significantly on IBMs opportunities in Technology division that will need financing to be won. IBM has in 2023 made a global decision to simplify the organization, and consequently business was transferred from IBM Finans Norge AS to International Business Machined AS in November 2023.

The company has none employees by YE 2023. All infrastructure support is located in the IBM Center of Excellence (CoE) Budapest and Bratislava including credit and accounting.

Working Environment

The working environment is good, and no occupational accidents have occurred in 2023.

The workforce consists until October 31 of 1 female employee and 3 full time male employees.

The total sick leave in 2023 was less than 1.0%.

Diversity and Equality

The company practices an equal opportunity policy. There is currently a good balance of female/male employees in the company, and the company is following all gender equality requirements.

External Environment

IBM Finans Norge AS does not cause any harm to the environment or health as most of our processes are digitized.

2023 results and future prospects

The Financial Statement for 2023 covers the total calendar year of 2023.

The financial results for 2023 showed a loss for the year, as the scope of the business narrowed as part of strategy change mentioned above.

Financial Risk

IBM Finans Norge AS is funded 100% by the IBM Treasury Centre in Ireland and IBM Global Financing. The financial risk for IBM Finans Norge AS is low, due to transfer of business to IBM. The capital for the company is very solid and IBM Finans Norge AS does not give guarantees.

IBM has a self-assured liability program for Director's & Officers. The Board Members and CEO of IBM Finans Norge AS is covered by a personal risk indemnification letter.



IBM Finans Norge AS

Directors' report

For the Year Ended 31 December 2023

Cash Flow Analysis

The net cash flow of operational activities for the company was MNOK 131, MNOK 0 for investment activities and for financing activities MNOK (90).

Equity

The Board of IBM Finans Norge AS proposes to pay a dividend of 59.000.000 NOK. The Board assess the remaining equity to be prudent based on the risk and scope of the company's activities.

Going Concern

The accounts have been prepared under the going concern assumption.

The Board proposes the following allocation of the result of 2023:

Transfer from other equity	NOK 3 652 279,58
Total allocation	NOK 3 652 279,58

Oslo, 19th April 2024

Board of Directors of IBM Finans Norge AS

Asbjørn Søgstad
(CEO)

Søren Gert Christiansen
(Chairman of the board)

Henrik Visser (Member
of the board)

This document is signed electronically.



IBM Finans Norge AS

Statement of Profit or Loss and Other Comprehensive Income

As at 31 December 2023

	Notes	2023 NOK'000	2022 NOK'000
Continued operations			
Interest income	3	468	-
Net finance income		468	-
Profit / (Loss) before income tax		468	-
Income tax expense	6	-99	-
Profit / (Loss) for the year		<u>369</u>	<u>-</u>
Discontinued operations			
Finance income	3	6,470	8,282
Interest income	3	3,815	4,053
Finance cost	4	(2,241)	(2,218)
Net finance income		<u>8,044</u>	<u>10,117</u>
Other expense	5	(14,125)	(10,366)
Net impairment losses on financial assets	14,15	398	(88)
Profit before income tax		<u>(5,683)</u>	<u>(337)</u>
Income tax expense	6	1,201	73
Profit for the year		<u>(4,482)</u>	<u>(264)</u>
Profit / (Loss) for the year from continued and discontinued operations		<u>(4,113)</u>	<u>(264)</u>
Other comprehensive income / (loss)			
<i>Items that will not be reclassified subsequently to profit and loss:</i>			
Actuarial gain / (loss) on defined benefit scheme	16	591	(501)
Deferred tax in respect of defined benefit scheme	8	(130)	110
Other comprehensive income / (loss) for the year, net of income tax		<u>461</u>	<u>(391)</u>
Total comprehensive income / (loss) for the year		<u>(3,652)</u>	<u>(655)</u>
Profit for the year as a percentage of total assets		-3.90%	-0.09%

The notes on pages 9 to 37 form part of these financial statements.



IBM Finans Norge AS

Statement of Financial Position

As at 31 December 2023

	Notes	12/31/2023 NOK'000	12/31/2022 NOK'000
Current assets			
Cash and cash equivalents	14	102,255	60,614
Trade and other receivables		58	3,746
Receivables from related parties	15	-	31,663
Finance receivables	7	-	145,495
Inventories		-	474
Prepayments and Other current assets		-	79
		<u>102,313</u>	<u>242,071</u>
Non-current assets			
Receivables from related parties	15	-	41,198
Finance receivables	7	-	21,665
Property, plant and equipment	17	-	478
Deferred tax assets	6, 8	3,250	2,234
		<u>3,250</u>	<u>65,575</u>
Total assets		<u>105,563</u>	<u>307,646</u>
Current liabilities			
Loans and Borrowings	9, 15	-	55,305
Payables to related parties	15	596	64,717
Trade and other payables	10	95	38,558
Deferred income		-	2
Other liabilities (Employees)		-	1,764
		<u>691</u>	<u>160,346</u>
Non-Current liabilities			
Retirement benefit obligation	16	-	4,542
Loans and Borrowings	9, 15	-	34,234
		-	<u>38,776</u>
Total liabilities		<u>691</u>	<u>199,122</u>
Net assets		<u>104,872</u>	<u>108,524</u>
Issued capital and reserves			
Share capital	11	45,000	45,000
Retained profits		59,872	63,524
Total equity		<u>104,872</u>	<u>108,524</u>

The notes on pages 9 to 37 form part of these financial statements.



IBM Finans Norge AS

Statement of Financial Position

As at 31 December 2023

The financial statements were approved by the directors and authorised for issue on 19th April 2024.

Asbjørn Søgstad
(CEO)

Søren Gert Christiansen
(Chairman of the board)

Henrik Visser (Member
of the board)

This document is signed electronically.

The notes on pages 9 to 37 form part of these financial statements.



IBM Finans Norge AS

Statement of Changes in Equity

As at 31 December 2023

	Notes	Issued capital NOK'000	Other paid-in capital NOK'000	Retained earnings NOK'000	Total equity NOK'000
At 1 January 2022		45,000	80,712	7,367	133,079
Profit for the financial year		-	-	(264)	(264)
Other comprehensive income	16	-	-	(391)	(391)
Dividends distribution		-	-	(23,900)	(23,900)
At 31 December 2022		45,000	80,712	(17,188)	108,524
Profit for the financial year		-	-	(4,113)	(4,113)
Other comprehensive income	16	-	-	461	461
Dividends distribution		-	-	-	-
At 31 December 2023		45,000	80,712	(20,840)	104,872

The notes on pages 9 to 37 form part of these financial statements.



IBM Finans Norge AS

Statement of Cash Flow

For the Year Ended 31 December 2023

	Notes	2023 NOK'000	2022 NOK'000
Profit / (Loss) before income tax from continued and discontinued operations		(5,215)	(337)
Profit / (Loss) before income tax from continued operations		468	-
Profit / (Loss) before income tax from discontinued operations		(5,683)	(337)
Adjustments for			
Finance income (continued)	3	(468)	-
Finance income (discontinued)	3	(3,815)	(4,053)
Finance cost	4	372	1,172
Depreciation	17	57	120
.			
Changes in operating assets and liabilities			
Difference between pension charge and cash contribution		(3,996)	75
Income tax paid	6	-	(1,920)
Decrease / (Increase) in receivables from related parties	15	72,862	42,154
Decrease / (Increase) in finance receivables	7	167,160	112,347
Decrease / (Increase) in trade and other receivables		3,689	(3,746)
Decrease / (Increase) in inventory		474	(398)
(Decrease) / Increase in payables to related parties	15	(64,122)	23,522
(Decrease) / Increase in other payables	10	(38,463)	12,508
(Decrease) / Increase in other liabilities		(1,766)	1,100
Decrease / (increase) in prepayments		79	22
Interest paid	4	(372)	(1,172)
Interest received (continued)	3	468	-
Interest received (discontinued)	3	3,815	4,053
Net cash flow from operating activities		130,759	185,447
Cash flows from investing activities			
Purchase of property, plant and equipment	17	(410)	(752)
Proceeds from sale of property, plant and equipment		831	326
Net cash flow from investing activities		421	(426)
Cash flows from financing activities			
Principal payments	9	(89,539)	(92,741)
Loan due to related parties (overdraft)	9	-	(64,118)
Payment of dividends		-	(23,900)
Net cash flow from financing activities		(89,539)	(180,759)
Net increase in cash and cash equivalents		41,641	4,262
Cash and cash equivalents at beginning of the period		60,614	56,352
Cash and cash equivalents at end of the period	14	102,255	60,614

* All cash flow is from discontinued operations unless specified otherwise.

The notes on pages 9 to 37 form part of these financial statements.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

General information

IBM Finans Norge AS (the 'company') is a limited company incorporated in Norway. The company's immediate parent entity is IBM Global Financing Investments II B.V., a company incorporated in Netherland and the company's ultimate parent entity is International Business Machines Corporations ('IBM Corporation'), a company registered in the United States of America. The ultimate parent company prepares consolidated financial statements which can be found at the following web address: <https://www.ibm.com/annualreport>.

The Company specialises in the purchase and leasing of information processing equipment and associated products and the provision of financial services to customers. The Company also provides short-term inventory and accounts receivable financing to suppliers, distributors and remarketers of IBM products.

Basis of preparation

These financial statements have been prepared on a historical cost basis, and in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'), and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC').

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been applied consistently to all years presented, unless otherwise stated. The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements are disclosed in the notes to these financial statements.

The financial statements are presented under the assumption of going concern.

New and amended standards issued and adopted

The Company has applied the following standards and amendments for the first-time commencing 1 January 2023:

• Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

Standard/Description– Issuance date: May 2021. The amendments require that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

Effective Date and Adoption Considerations – These amendments are effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

Effect on Financial Statements or Other Significant Matters – These amendments did not have a material impact on the Company's financial results.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

New and amended standards issued and adopted (*continued*)

• *Amendments to IAS 8 “Definition of Accounting Estimate”*

Standard/Description—Issuance date: February 2021. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

Effective Date and Adoption Considerations – These amendments are effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

Effect on Financial Statements or Other Significant Matters – These amendments did not have a material impact on the Company’s financial results.

• *Amendments to IAS 12 “International Tax Reform-Pillar Two Model Rules”*

Standard/Description— Issuance date: May 2023. The amendments introduced a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and targeted disclosure requirements for affected entities.

Effective Date and Adoption Considerations – These amendments are effective for annual periods beginning on or after 1 January 2023.

Effect on Financial Statements or Other Significant Matters – These amendments did not have a material impact on the Company’s financial results.

• *Amendments to IAS 1 and IFRS Practice Statement 2 on “Disclosure of Accounting Policies”*

Standard/Description—Issuance date: March 2021. The amendments require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on IFRS applications.

The amendment explains an accounting policy is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Accordingly, immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

IFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Effective Date and Adoption Considerations – These amendments are effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

Effect on Financial Statements or Other Significant Matters – These amendments did not have a material impact on the Company’s financial results.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

New standards and amendment to standards and interpretations issued but not yet effective

Certain new standards and amendments to standards and interpretations have been published that are not mandatory for 31 December 2023 and have not been early adopted by the Company.

• Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

Standard/Description– Issuance date: July 2020. The amendments clarify that liabilities are classified as either current or noncurrent depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date.

Effective Date and Adoption Considerations – These amendments are effective for annual periods beginning on or after 1 January 2024, with early adoption permitted.

Effect on Financial Statements or Other Significant Matters – The Company is evaluating the impact of these amendments.

• Amendments to IAS 1 "Non-current Liabilities with Covenants"

Standard/Description– Issuance date: October 2020. The amendment specifies that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

Effective Date and Adoption Considerations–These amendments are effective for annual periods beginning on or after 1 January 2024, with early adoption permitted.

Effect on Financial Statements or Other Significant Matters – The Company is evaluating the impact of these amendments.

• Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

Standard/Description– Issuance date: September 2022. The amendment specifies the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in IFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

Effective Date and Adoption Considerations–These amendments are effective for annual periods beginning on or after 1 January 2024, with early adoption permitted.

Effect on Financial Statements or Other Significant Matters–The Company is evaluating the impact of these amendments.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

New standards and amendment to standards and interpretations issued but not yet effective (continued)

• **Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements (SFAs)”** Standard / Standard/Description—Issuance date: May 2023. The amendment was issued to provide information about SFAs that enables investors to assess the effects on an entity’s liabilities, cash flows and the exposure to liquidity risk.

Effective Date and Adoption Considerations – These amendments are effective for annual periods beginning on or after 1 January 2024, with early adoption permitted.

Effect on Financial Statements or Other Significant Matters – As the guidance is a change to disclosures only, the company does not expect it to have a material impact in the consolidated financial results.

Revenue Recognition

The primary source of revenue for the company is finance income. The income generated in 2023 is predominantly related to sources other than from contracts with customers.

Finance income represents interest on lease and other receivables, cash and deposits and it is recognised on an accruals basis using the effective interest rate method. Finance income includes also income fee on factored receivables. Factoring fees are recognised at a point in time when the Company satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received or receivable represents the transaction price for the services identified as distinct performance obligations. Operating lease income is recognised on a straight-line basis over the term of the lease.

Other expenses

Other expenses are recognised in the income statement as incurred. Other expenses include selling expenses, salaries, office supplies, non-income taxes, insurance and office rental.

Finance costs

Finance costs represent costs on finance and operating leasing, interest on bank overdrafts and short-term borrowings.

Foreign currencies

The financial statements of the company are presented in Norwegian Krone which is the functional currency of the company.

Taxation

The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

Taxation (continued)

Deferred tax is calculated at the tax rates that have been enacted and that are expected to apply in the year when the liability is settled or the asset realised.

Leases

The Company is the lessor of certain equipment in financing activities relating to finance or operating lease. The company typically enters into leases as part of financing activities. Assets under lease include new and used IBM equipment and certain OEM products.

Amounts due under finance leases are recorded as finance receivables at the amount of the Company's net investment in the leases representing the present value of the lease payments. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Lease payments due to the Company are typically fixed and paid in equal instalments over the lease term. Payments that are made directly by the client to a third party, including certain property taxes and insurance, are not considered part of variable payments and therefore are not recorded by the company. The company excludes from consideration in contracts all collections from sales and other similar taxes.

When lease arrangements include multiple performance obligations, the company allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

Leases where substantially all the risks and rewards incidental to ownership of an asset are transferred to the lessee are classified as finance leases, whereas leases where all the risks and rewards incidental to ownership are not transferred to the lessee are classified as operating leases.

If a lease is classified as a finance lease, the carrying amount of the asset is derecognised from inventory and a net investment in the lease is recorded. Net investment in the lease is measured at commencement date as the sum of the lease receivable and the estimated residual value of the equipment less unearned income and allowance for credit losses. For further information on the company's net investment in leases, refer "Finance Receivables" note.

Any selling profit or loss arising from a finance lease is recorded at lease commencement. Selling profit or loss is presented on a gross basis when the Company enters into a lease to realise value from a product that it would otherwise sell in its ordinary course of business, whereas in transactions where the Company enters into a lease for the purpose of generating revenue by providing financing, the selling profit or loss is presented on a net basis. Under a finance lease, IDC are deferred at lease commencement and amortise against finance income over the term of the lease. Over the term of the lease, the Company recognises finance income on the net investment in the lease and any variable lease payments, which are not included in the net investment in the lease.



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Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

Financial instruments

IGF financing solutions are classified into two segments: Customer/Client Financing (CuF) and Commercial Financing (CoF). CuF offers lease and loan financing alternatives for acquisition of hardware technology, software, services and cloud-based solutions. CoF creates the partnership between dealers and suppliers, where suppliers are receiving the cash in advance for produced equipment, while business partners have longer time for the payables repayment.

Classes of financial instrument

The Company considers the following to be its classes of financial assets: cash and cash equivalents; trade and other receivables, finance receivables; and receivables from related parties. Finance receivables include lease receivables, customer loan receivables and commercial financing receivables. The following financial liabilities are presented as separate classes of financial liabilities: trade and other payables, loans and borrowings and payables to related parties.

Financial assets and financial liabilities are recognised initially at fair value, plus or minus directly attributable transaction costs, in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. For the majority of financial instruments, standard market conventions and techniques such as discounted cash flow analysis, estimated selling price less estimated cost to completion and sale are used to determine fair value. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realised.

Categories of financial instruments

Financial assets at amortised cost

The Company considers the following to be its classes of financial assets at amortised cost: Cash and cash equivalents. Trade and other receivables and Receivables from related parties.

Financial assets at fair value through other comprehensive income

The Company considers the following to be its classes of financial assets at fair value through other comprehensive income: Finance receivables (include lease receivables, customer loan receivables and commercial financing receivables).

Impairment of financial assets – credit loss allowance for ECL.

The company makes an assessment of expected credit losses (ECL) for evaluating whether assets carried at amortised cost and fair value through OCI are impaired.

For financial assets the Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. The first stage of the evaluation requires an assessment of expected credit losses (ECL), which represent the possibility of default over the next 12 months. When a significant increase in credit risk has occurred, the financial asset is transferred to stage 2 and the ECL will be calculated using the possibility of default over the expected life of the financial instrument. When there is objective evidence that a financial asset is impaired, the financial asset will be transferred to stage 3 and lifetime ECL will be calculated.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

Financial Instruments (*continued*)

The Company measures ECL for the following categories of financial assets: Finance receivables. Cash and cash equivalents are also subject to the impairment, the identified impairment loss was immaterial.

Finance receivables primarily consist of client loan and instalment payment receivables (customer loan receivables), lease receivables, and commercial financing receivables.

For lease receivables, the Company applies the simplified approach permitted by IFRS 9, under which the Company elected to record lifetime expected losses, eliminating the requirement of a three-stage approach.

For customer loan receivables, the Company applies the three-stage approach to measure credit losses. When the financial asset is in stage 3 and there is objective evidence that customer loan receivables are impaired, the Company calculates lifetime ECL by comparing the asset's carrying amount and the present value of the expected future cash flows. Any resulting impairment loss is recognised in the statement of profit or loss and other comprehensive income. The carrying amount of the impaired receivable in stage 3 is reduced through the use of a specific allowance account. 12-month ECL is recorded if the difference with lifetime ECL is material. The identified 12 months credit loss was immaterial.

For commercial financing receivables also applies the three stages approach to measure expected credit losses. However, given that commercial financing receivables are short-term in nature with financing period of less than one year, 12-month expected credit losses are the same as the lifetime credit losses, thus eliminating the need to track significant increase in credit risk.

An allowance for impairment of loan and lease receivables are evaluated on an individual or collective basis. For individually evaluated receivables, the Company determines the expected cash flow for the receivable and calculates an estimate of the potential loss and probability of loss. For those accounts in which the loss is probable, the Company records a specific reserve which is based on current information available about customers such as financial statements, news reports and published credit ratings, current market-implied credit analysis, as well as collateral net of repossession cost, prior collection history and current and future expected economic conditions: The Company considers any receivable with an individually evaluated reserve as an impaired receivable. In addition, the Company performs a collectively evaluated reserve that is determined by applying a reserve rate to its different portfolios, excluding accounts that have been specifically reserved. This reserve rate is based upon credit rating, probability of default, term, characteristics (lease/loan), loss history and current economic conditions.

The Company considers forward-looking macroeconomic variables such as gross domestic product, unemployment rates, equity prices and corporate profits when quantifying the impact of economic forecasts on its commercial financing receivables allowance for expected credit losses. Macroeconomic variables may vary by class of financing receivables based on historical experiences, portfolio composition and current environment. The Company also considers the impact of current conditions and economic forecasts relating to specific industries, geographical areas, and client-credit ratings, in addition to performing a qualitative review of credit risk factors across the portfolio.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

Financial Instruments (*continued*)

Under this approach, forecasts of these variables over two years are considered reasonable and supportable. Beyond two years, the company reverts to long-term average loss experience. Forward-looking estimates require the use of judgment, particularly in times of economic uncertainty.

The portfolio of commercial financing receivables is short term in nature and any allowance for these assets is estimated based on a combination of write-off history and current economic conditions, excluding any individually evaluated accounts.

Financial liabilities at amortised cost

Financial liabilities are unsecured and usually settled on standard commercial trade terms. Financial liabilities recognised at amortised cost include trade and other payables, loans and borrowings and payables to related parties.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term, highly liquid investments with maturities of three months or less at the date of purchase are considered to be cash equivalents. Cash and cash equivalents are carried at fair value.

Employee benefits

Defined benefit and other post-retirement benefit plans

For defined benefit retirement plans and other post-retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date.

Property, plant and equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation is charged over their estimated useful lives, using the straight-line method. The estimated useful lives used in the calculation of depreciation and amortisation are as follows:

Fixtures and fittings	-	5 years
Lease assets	-	1.5-5 years



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

1. Statement of compliance, basis of preparation, and material accounting policies

Discontinued operations

In November 2023 IBM Finans Norge AS sold its business in its entirety to its sister-entity International Business Machines AS.

Norway Business Transfer Agreement, dated as of 31st October 2023, has been signed between IBM Finans Norge AS and International Business Machines AS. With effective date of 1st November 2023, certain assets and liabilities were transferred from IBM Finans Norge AS to International Business Machines AS. The difference between selling price and net book value of assets and liabilities transferred was recognized in the Statement of Profit or Loss and Other Comprehensive Income under Other Expense category.

A discontinued operation is a component of the entity that has been disposed of, is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented in the statement of profit or loss and other comprehensive income. A loss recognized by the date of the sale of the disposal group is recognized at the date of derecognition.

Classification as a discontinued operation occurred upon Norway Business Transfer Agreement. When the asset or disposal group is classified as a discontinued operation, the comparative information is reclassified within the Income Statement and the Statement of Cash Flows as if the asset or disposal group had been discontinued from the start of the earliest comparative period presented.

After the sale, the remaining assets and liabilities only relate to intercompany balances and statutory tax related balances.

At the time of signing these financial statements there have been no formal decisions related to the future of IBM Finans Norge AS and the entity will continue to exist in an intermediate period until final decisions have been made. The principles for preparing these financial statements are therefore unchanged compared to 2022, except that the presentation requirements of IFRS 5 relating to discontinued operations have been applied.

The financial statements are presented under the assumption of going concern.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

2. Significant accounting estimates, assumptions and judgements (continued)

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The Company determines a receivable may be considered a significant increase in risk if the current credit quality of the receivable carries an internal rating of GRMG 7. Default is defined as the point in time a client is added to the watch-list for credit risk tracking. The Company does not consider a past due status of 90 days as an indicator of default. The Company performs a monthly assessment of the financing receivables portfolio based on a number of factors including but not limited to exposure, credit risk, economic stability, disputes and past due status. Based on this review, the Company determines when a customer is in default.

Business model assessment

The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the Company considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Finance receivables transactions are represented through both the collection of contractual cash flows (for CuF receivables that are not factored) and regularly selling receivables (via selling the most of CoF receivables into the master factoring agreement on a regular basis, even if the exact extent and the specific receivables impacted cannot be identified at inception). Therefore, the whole portfolio of financial assets is classified as “hold to collect and sell” business model and measured at FVOCI. Receivables from related parties are classified as “hold to collect” business model and measured at amortized cost.

Assessment whether cash flows are solely payments of principal and interest (“SPPI”)

Determining whether a financial asset’s cash flows are solely payments of principal and interest required judgement. The Company identified and considered contractual terms that change the timing or amount of contractual cash flows. The SPPI criterion is met if a loan allows early settlement and the prepayment amount substantially represents principal and accrued interest, plus a reasonable additional compensation for the early termination of the contract. The asset’s principal is the fair value at initial recognition less subsequent principal repayments, ie instalments net of interest determined using the effective interest method. As an exception to this principle, the standard also allows instruments with prepayment features that meet the following condition to meet SPPI: (i) the asset is originated at a premium or discount, (ii) the prepayment amount represents contractual par amount and accrued interest and a reasonable additional compensation for the early termination of the contract, and (ii) the fair value of the prepayment feature is immaterial at initial recognition.

The Company considered examples in the standard and concluded that features that arise solely from legislation and that are not part of the contract, that is, if legislation changed, the features would no longer apply (such as bail in legislation in certain countries), are not relevant for assessing whether cash flows are SPPI.

Write-off policy

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Determining the cash flows for which there is no reasonable expectation of recovery requires judgement. Management considered the following indicators that there is no reasonable expectation of recovery: start of liquidation or bankruptcy proceedings; fair value of collateral is less than the costs to repossess it or enforcement activities were completed.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

3. Finance income

	2023	2022
	NOK'000	NOK'000
Operating lease income	1,151	2,200
Factoring income	2,015	4,423
Finance lease income	1,644	767
Interest income	4,283	4,053
Other operating income	1,660	892
	<u>10,753</u>	<u>12,335</u>

The income generated in 2023 is predominantly related to sources other than from contracts with customers.

For commercial financing, the interest rate is fixed above Base rate. Base Rate is the one-month NIBOR rate published by Norges Bank on the first working day of a calendar month.

Extension fee is calculated as base rate + 3% or 5% (depending on the dealer's classification).

Supplier fee is calculated as base rate + a fixed fee. Any 0.25% change to the base rate triggers a 0.1% change to the fee. In case of negative Base Rate a minimum Base Rate of 0 % will be used.

For client Financing, we operate with fixed interest rate.

4. Finance costs

	2023	2022
	NOK'000	NOK'000
Costs of operating leases	65	121
Costs of finance leases	-	-
Pension cost	136	75
Interest expense	373	1,172
Costs of other operating income	1,667	850
	<u>2,241</u>	<u>2,218</u>

The interest for In House Bank account is NIBOR 1MND+0,15% and Customer financing term loans have fixed rate.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

5. Other expenses

	2023	2022
	NOK'000	NOK'000
Employee expenses	4,439	7,973
Other expenses	9,530	2,046
Audit services (excl. VAT) - Statutory audit	156	347
	<u>14,125</u>	<u>10,366</u>

The employees of IBM Finans Norge AS have been transferred from IBM Finans Norge AS to International Business Machines AS on November 1st, 2023. The average number of man-year employed in 2023 was 4 (2022: 5 man-year). Amount 9,530K NOK in Other expenses category includes 1,980K NOK of loss from sale of assets and liabilities from IBM Finans Norge AS and International Business Machines AS.

6. Income tax expense

(a) Analysis of charge / (credit) in the year

In respect of the period:	2023	2022
	NOK'000	NOK'000
Current tax	-	-
Other	-	-
Deferred tax (note 8)	(1,102)	(73)
Income tax expense / (credit)	<u>(1,102)</u>	<u>(73)</u>

(b) Factors affecting tax charge / (credit)

	2023	2022
	NOK'000	NOK'000
Profit before income tax	<u>(5,215)</u>	<u>(337)</u>
Tax at the domestic income tax rate of 22%	(1,147)	(74)
Impact of permanent adjustments	-	-
Other	45	1
Total income tax expense (note 6(a))	<u>(1,102)</u>	<u>(73)</u>

(c) Analysis of tax payable

	2023	2022
	NOK'000	NOK'000
At 1 January	-	1,920
Payment to tax authorities	-	(1,920)
At 31 December	<u>-</u>	<u>-</u>



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

7. Finance receivables

	12/31/2023	12/31/2022
	NOK'000	NOK'000
Current		
Commercial financing receivables	-	104,048
Finance lease receivables	-	14,126
Customer loans	-	27,448
	<u>-</u>	<u>145,622</u>
Less:		
Loss allowance (Note 14)	-	(127)
	<u>-</u>	<u>145,495</u>
Non-current		
Finance lease receivables	-	2,472
Customer loans	-	19,256
	<u>-</u>	<u>21,728</u>
Less:		
Loss allowance (Note 14)	-	(63)
	<u>-</u>	<u>21,665</u>

Finance lease receivables are for leases that relate principally to the company's equipment and are generally for terms ranging from one to six years (2022: one to six years). Customer loans are provided by the company to clients to finance the purchase of IBM's software and services.

Finance lease and customer loan receivables include invoiced amounts not paid at the end of the year. The average contractual credit period on invoiced amounts is 0 to 30 days. Thereafter, interest is charged at market rates on the outstanding balance.

Before entering into a finance lease arrangement, the company undertakes a credit assessment on the proposed transaction, either through the IBM Credit Team or, for certain transactions of a lower size, a credit scoring system based on external credit agency information, to assess the customer's credit quality and define credit limits by customer. Credit limits for most customers are valid for no more than six months and are re-assessed if required to be extended. The balances on leases for hardware are usually secured over the leased equipment.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

7. Finance receivables (continued)

	Minimum lease payments (‘MLP’)		Present value of MLP	
	2023	2022	2023	2022
	NOK'000	NOK'000	NOK'000	NOK'000
Not later than one year	-	13,487	-	12,902
Later than one year and not later than five years	-	2,658	-	2,542
Later than five years	-	-	-	-
			-	15,444
Add: Un-guaranteed residual value	-	1,095		
Less: Unearned finance income	-	(701)		
Less: Provision for impairment	-	(48)		
	-	16,491		

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest contracted is approximately 4,35% per annum (2022: 2,12%). The finance lease receivables are effectively collateralised by the leased assets as the right to the asset reverts to the company in case of the counterparty’s default. Such finance lease receivables are secured by hardware assets.

8. Deferred tax

Movement in the deferred tax asset / (liability)

	Retirement benefit NOK'000	Other NOK'000	Total NOK'000
At 1 January 2022	872	1,178	2,050
Loss carry-forward	-	441	441
(Charged)/credited to I&E	17	(384)	(367)
(Charged)/credited to Other Comprehensive Income	110	-	110
At 31 December 2022	999	1,235	2,234
Loss carry-forward	-	2,239	2,239
(Charged)/credited to I&E	(1,129)	(224)	(1,353)
(Charged)/credited to Other Comprehensive Income	130	-	130
At 31 December 2023	-	3,250	3,250

The recognition of deferred tax assets is determined by reference to the company’s estimate of recoverability based on models to forecast future taxable profits.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

9. Loans and borrowings

	12/31/2023	12/31/2022
	NOK'000	NOK'000
Balance at the beginning of the period	89,539	246,398
New term loan	-	-
Principal payments	(89,539)	(92,741)
Loan due to related parties (overdraft)	-	(64,118)
Balance at the end of the period (Note 15)	-	89,539
Net interest payments	(2,825)	(611)

Customer financing term loans have fixed rate. Interest for In House Bank account is charged at variable rates based on NIBOR.

10. Trade and other payables

	12/31/2023	12/31/2022
	NOK'000	NOK'000
Trade payables	95	37,637
Social Security and Other taxes	-	793
Other Payables	-	128
	95	38,558

11. Share capital and shareholder information

	2023	2022
	NOK'000	NOK'000
Authorised, issued and fully paid shares		
45000 ordinary shares of par value 1 000.01 NOK each	45.000	45.000

All shares have equal rights.

Shareholder information

IBM Finans Norge AS is a 100% owned subsidiary of IBM Global Financing Investments II B.V. located in Netherland. The company is located in Lakkegata 53, 0187 Oslo, Norway.

12. Contingencies

At 31 December 2023, the company had no contingent liability in respect of bank guarantees.

13. Events after balance sheet date

The Board of IBM Finans Norge AS proposes to pay a dividend of 59,000,000 NOK.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

14. Financial instruments

Financial risk management

The company is exposed to a variety of financial risks as a result of its operations that include the effects of changes in liquidity and interest rate risk, credit risk, market prices, and foreign exchange risk. The company has a strong risk management programme in place aligned to the programmes applied within the consolidated group of the company's ultimate parent company, International Business Machines Corporation.

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of debt to related parties disclosed in note 15, and equity attributable to equity holders of the parent, comprising issued capital and retained earnings as disclosed in the statement of changes in equity.

Categories of financial items

Categories of financial items

	Weighted average effective interest rate	12/31/2023 NOK'000	Weighted average effective interest rate	12/31/2022 NOK'000
Financial assets				
<i>Loans and receivables</i>				
<i>Interest bearing</i>				
Cash and cash equivalents	3.80	102,255	1.62	60,614
Receivables from related parties			1.79	71,283
Finance receivables			0.91	63,112
<i>Non-interest bearing</i>				
Finance receivables				104,048
Receivables from related parties				1,578
		102,255		300,635
Financial liabilities				
<i>Amortised costs</i>				
<i>Interest bearing</i>				
Loans and Borrowings			0.99	89,539
<i>Non-interest bearing</i>				
Payables to related parties		596		64,717
Trade and other payables (Note 10)		95		37,765
		691		192,021



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

14. Financial instruments (continued)

Financial risk management objectives

IBM's corporate treasury function provides funding and risk management services to the company. Risk management services are provided through the monitoring and management of financial risks relating to the operations of the company through internal risk reports addressing market risk (including currency risk and interest rate risk), credit risk, liquidity risk, and cash flow interest rate risk. This includes performing sensitivity analysis on market risks to determine the effect of changes in foreign exchange and currency rates on the company's financial performance and position.

Foreign currency risk

The company does not undertake any material transactions denominated in foreign currencies, hence no considerable exposure to exchange rate fluctuations arise.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company carries out credit checks on potential customers before contracts are entered into. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate the major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team annually. Cash balances held with the IBM Treasury Centre and IBM Global Financing Investments II B.V, which the directors assess as having high credit ratings.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Financing receivables are subject impairment criteria for expected credit losses.

The Company considers the probability of default upon the initial recognition of the receivable and whether there has been a significant increase in credit risk at each reporting period. The Company does not consider 30 days past due as an indicator for a significant increase in credit risk. The Company uses credit quality indicators which are based on rating agency data, publicly available information and information provided by customers and are reviewed periodically based on the relative level of risk. The resulting indicators are used to determine if there is a significant increase in credit risk and include a numerical rating system that maps to Moody's Investor Service credit ratings. The Company uses information provided by Moody's, where available, as one of many inputs in its determination of customer credit ratings.

The Company does not consider a past due status of 90 days as an indicator of default. The Company performs a monthly assessment of the financing receivables portfolio based on a number of factors including but not limited to exposure, credit risk, economic stability, disputes and past due status. Based on this review, the Company determines when a customer is in default.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

14. Financial instruments (continued)

Credit risk management (continued)

A write-off represents a receivable that is deemed uncollectible to the extent that the customer is no longer in operation and/or there is no reasonable expectation of additional collections or repossession. The Company's assessments factor in the history of collections and write-offs across the trade receivables, contract assets and financing receivables portfolios.

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9; however, the expected credit losses were immaterial based on calculation carried by Company, due to short-term nature of cash and cash equivalents and good credit ratings of financial institutions. All of the prior period balances were neither past due nor impaired.

Credit risk grading system. For measuring credit risk and grading financial instruments by the amount of credit risk, the Company applies two approaches – an internal risk-based approach (GRMG) rating system or risk grades estimated by external international rating agencies (Standard & Poor's - "S&P", Fitch, Moody's).

Loan and lease receivables

The following table represents the assumptions by credit risk rating grades for loan and lease receivables:

Credit Risk Rating	Company definition	Basis for recognition of ECL provision	Gross carrying amount	
			2023 NOK'000	2022 NOK'000
Aaa-Baa3	Customers that are investment grade and have a strong capacity to meet contractual cash flows	The Company applies 3 stage approach to loan receivables. If the difference between the Stage 1 12-month ECL and Stage 2 lifetime ECL is significant, a 12-month ECL is recorded, if immaterial a lifetime ECL is recorded. Lifetime ECL recorded for lease receivables	-	40,938
Ba1-D	Customer that are non-investment grade	The Company applies 3 stage approach to loan receivables. If the difference between the Stage 1 12-month ECL and Stage 2 lifetime ECL is significant, a 12-month ECL is recorded, if immaterial a lifetime ECL is recorded. Lifetime ECL recorded for lease receivables	-	22,364
Specific Impairment	Uncollectible	Partially impaired or asset is written off.	-	-

The following represents the analysis of credit risk exposure for finance receivables and the expected credit loss is recognised. The gross carrying amount also represents the maximum exposure to credit risk for financing receivables.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

14. Financial instruments (continued)

Credit risk management (continued)

	31 December 2023		31 December 2022	
	Lease NOK'000	Loan NOK'000	Lease NOK'000	Loan NOK'000
Aaa-Baa3	-	-	1,424	39,514
Ba1-D	-	-	15,174	7,190
Specific Impairment	-	-	-	-
Gross carrying amount	-	-	16,598	46,704
Loss allowance for credit losses	-	-	(49)	(141)
Carrying amount	-	-	16,549	46,563

The following represents the movement in loss allowance for loan receivables:

	Lifetime** ECL NOK'000	Impaired*** NOK'000	Total NOK'000
Loss allowance at 1 January 2022	207	-	207
New loan receivables	142	-	142
Write-offs	-	-	-
Recoveries of previous written off amounts	(207)	-	(207)
Loss allowance at 31 December 2022	142	-	142
New loan receivables	-	-	-
Write-offs	-	-	-
Recoveries of previous written off amounts	(142)	-	(142)
Loss allowance at 31 December 2023	-	-	-

The following represents the movement in loss allowance for lease receivables:

	Lifetime** ECL NOK'000	Impaired*** NOK'000	Total NOK'000
Loss allowance at 1 January 2022	143	179	322
New lease receivables	49	154	203
Write-offs	-	(333)	(333)
Recoveries of previous written off amounts	(144)	-	(144)
Loss allowance at 31 December 2022	48	-	48
New lease receivables	-	-	-
Write-offs	-	-	-
Recoveries of previous written off amounts	(48)	-	(48)
Loss allowance at 31 December 2023	-	-	-

** Lifetime ECL represents the expected credit loss over the life of the asset.

*** Impaired assets are credit impaired at the reporting date as a result of significant increase of credit risk. These assets were not credit impaired upon purchase or origination.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

14. Financial instruments (continued)

Credit risk management (continued)

Commercial financing receivables

The table below represents the analysis for commercial financing receivables for credit risk exposure. The gross carrying amount also represents the maximum exposure to credit risk for this asset.

	Commercial Finance Receivables	
	2023	2022
	NOK'000	NOK'000
Commercial Finance Receivables	-	104,048
Specific Impairment	-	-
Gross carrying amount	-	104,048
Loss allowance for credit losses	-	-
Carrying amount	-	104,048

Net impairment losses on financial assets balance visible in Statement of Profit or Loss and Other Comprehensive Income includes (190) thousand NOK release of impairment/credit loss related to customer financing receivables. The commercial financing receivables are unrated.

Cash and cash equivalents include cash at bank in the amount of 103 thousand NOK, rated Aa3 by Moody's (rating of 2022: Aa3).

A large part of the loans is covered by credit insurance. Credit insurance cover is against:

- *Insolvency* is where a business literally goes out of business.
- *Protracted default* is where we have unpaid AR 180-days past the invoice due date. It is unlikely a business will still be operating in 180-days if it is not paying its AR, as it would suggest a cash flow issue.

(i) Past due but not impaired finance receivables

Included in finance receivables balance are receivables with a carrying amount of NOK nil (2022: 16 529 thousand NOK) respectively which are past due at the reporting date but not impaired. The company considers that the amounts are still fully recoverable.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

14. Financial instruments (continued)

Credit risk management (continued)

Aging of past due but not impaired receivables

	2023	2022
	NOK'000	NOK'000
0-90 days	-	16,435
91- 180 days	-	94
181- 365 days	-	-
over 365 days	-	-
	<u>-</u>	<u>16,529</u>

Provision for impairment

	2023	2022
	NOK'000	NOK'000
At 1. January	190	532
Impairment losses recognized	-	344
Amounts written off	-	(333)
Release of impairment	(190)	(353)
At 31. December	<u>-</u>	<u>190</u>

In determining the recoverability of finance receivables, the company considers any change in the credit quality of the receivables from the date credit was initially granted up to reporting date. The concentration of credit risk is limited due to the customer base being large and diverse. Accordingly, the directors believe that there is no further credit provision required in excess of the provision for impairment of trade receivables.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Interest rate risk management

The company is funded by the IBM Treasury Centre in Ireland and IBM Global Financing Investments II B.V. As the company invests or borrows cash balances, it operates in either a receivable or payable position. Interest is paid or earned on the daily balance using the variable one-month interest rate as the base.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in Categories of financial instruments table in this note.

The company performs sensitivity analysis to determine the effects from exposure to interest rates risk. For financial assets and liabilities exposed to interest rate risk, the analysis is prepared assuming the balances at the reporting date were outstanding for the whole year.

At the reporting date, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's net profit would decrease/increase by NOK 511 000 (2022: decrease/increase by NOK 527 000). This is mainly attributable to the company's exposure to interest rates on borrowings and cash deposits.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

14. Financial instruments (continued)

Liquidity risk management

The company is funded internally by the IBM Treasury Centre in Ireland. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities through its agreements with the IBM Treasury Centre.

The company holds financial liabilities with contractual maturity within one year. The contractual maturity is based on the earliest date on which the company may be required to pay, however the function of the IBM Treasury Centre is to continuously support the operation and to secure that IBM Finans Norge AS meet their obligations as they fall due. The table below have been drawn up based on the undiscounted contractual cash flows of the financial liabilities including principal cash flows.

Liquidity table

2023	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	102,255	-	-	102,255
Receivables from related parties	-	-	-	-
Finance receivables	-	-	-	-
	102,255	-	-	102,255
Financial liabilities				
Loans and Borrowings	-	-	-	-
Payables to related parties	596	-	-	596
Trade and other payables	95	-	-	95
	691	-	-	691
2022				
Financial assets				
Receivables from related parties	32,805	41,816	-	74,621
Finance receivables	147,516	22,641	-	170,157
	240,935	64,457	-	305,392
Financial liabilities				
Loans and Borrowings	55,761	34,438	-	90,199
Payables to related parties	64,717	-	-	64,717
Trade and other payables	38,558	-	-	38,558
	159,036	34,438	-	193,474

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- Financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- Other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Management considers that the carrying amount of financial assets and financial liabilities in the financial statements approximate their fair values. There are no financial assets and/or liabilities that were already recognised at fair value through profit and loss.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

15. Related party transactions

Related parties include parent companies, entities under common control ('group undertakings'), subsidiaries and key management personnel. The company enters into transactions with related parties in the ordinary course of business for the purchase or sale of services provided to and from related parties, purchase of investment from related parties, in relation to group funding arrangements with related parties and in relation to the factoring of trade receivables with related parties.

The company's immediate parent undertaking is IBM Global Financing investments II B.V which holds 100% of the shares and is registered in Netherlands.

The company's ultimate parent undertaking and controlling party is International Business Machines Corporation which is incorporated in the United States of America and is the parent undertaking of the smallest and largest group to consolidate these financial statements. The ultimate parent company prepares consolidated financial statements which can be found at the following web address: <https://www.ibm.com/annualreport>.

The following transactions were carried out with related parties:

Class of related party	Transaction type	2023	2022
		NOK'000	NOK'000
Other related undertakings	Sales	3,130	4,096
	Purchases	(926)	(431)
	Other expenses	(2,567)	(2,491)
	Interest paid	(372)	(1,172)
	Interest received	4,163	4,040

Details of the amounts receivable from, payable to and borrowing from related parties are set out below:

Receivables from related parties

	2023	2022
	NOK'000	NOK'000
Other related parties	-	72,861
	-	72,861

Payable to related parties

	2023	2022
	NOK'000	NOK'000
Immediate parent	-	-
Other related parties	596	64,717
	596	64,717



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

15. Related party transactions (continued)

Loans due to related parties

	2023	2022
	NOK'000	NOK'000
Other IBM group undertaking	-	89,539
	<u>-</u>	<u>89,539</u>

Customer financing term loans have used fixed rate. Interest for In House Bank account is charged at variable rates based on NIBOR.

The amounts outstanding on these balances are unsecured and will be settled in cash. No guarantees have been given or received. Allowance for impaired receivables in relation to any outstanding balances is in amount NOK nil. NOK (208) thousand has been recognized as expense in the current period for bad or doubtful debts in respect of the amounts owed by related parties.

Key management compensation

The total remuneration of members of key management in respect of services to the company was as follows:

	2023	2022
	NOK'000	NOK'000
Short term employee benefits	2,047	1,882
	<u>2,047</u>	<u>1,882</u>

Remuneration of CEO and Board of Directors' members was as follows:

	2023	
	CEO	Board of Directors
	NOK '000	NOK '000
Short term employee benefits	2,047	3,828
Pension cost	114	-
	<u>2,161</u>	<u>3,828</u>

	2022	
	CEO	Board of Directors
	NOK '000	NOK '000
Short term employee benefits	1,882	2,502
Pension cost	108	68
	<u>1,990</u>	<u>2,570</u>



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

15. Related party transactions (continued)

The split between CEO's fixed salary and variable pay is as follows:

	2023	2022
	NOK'000	NOK'000
Variable pay	561	400
Fixed salary	1,444	1,387
Vacation pay	233	251
Deduction for vacation	(191)	(156)
	<u>2,047</u>	<u>1,882</u>

The CEOs variable pay is calculated twice a year from the value of new client financing contracts signed within 1st half and 2nd half of the year. Car allowance is NOK 6,000 per month.

The fixed part is 70% of the on-target salary. The same model also applies to sellers in the company. The CEO has no termination benefits.

16. Retirement benefit obligations

Defined benefit plans

The amounts recognised in the statement of financial position are determined as follows:

	31/12/23	31/12/22
	NOK'000	NOK'000
Present value of funded defined benefit obligation	-	(11,042)
Fair value of plan assets	-	6,500
(Deficit) / Surplus of funded plan	-	(4,542)
Impact of minimum funding requirement / asset ceiling	-	-
Net liability arising from defined benefit obligations	-	(4,542)

The company operated a defined benefit pension plan of which was transferred in November 1st 2023 as a part of a business transfer to International Business Machines AS.

The transferred pension liability was for current retirement pension for 2 retired employees. No other employees or pensioners were member of the company's pension plan at the date of business transfer.

The present value of the defined benefit obligations, the related current service cost, and past service cost are measured using the projected unit credit method.



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

16. Retirement benefit obligations

Defined benefit plans (continued)

Regulatory Framework

IBM Konsern pensjonskasse operates in accordance with the law on occupational defined benefit pension (Lov om foretakspensjon) and is licensed by and operates under the supervision of the Financial Supervisory Authority of Norway (Finanstilsynet).

The movement in the net defined benefit obligation over the year is as follows:

	2023 NOK'000	2022 NOK'000
Present value of defined benefit obligation		
At 1 January	(11,042)	(11,436)
Current service cost	-	-
Interest (expense) / income	(274)	(212)
Remeasurement:		
Actuarial gain / (loss) – experience	(73)	(381)
Actuarial gain / (loss) – financial assumptions	588	517
Actuarial gain / (loss) – demographic assumptions	-	-
Past service cost and gain / (loss) on settlements	-	-
Benefits paid		
Employer	-	-
Trust	409	470
Plan participants' contributions	-	-
Exchange differences	-	-
Acquired in business combination	10,392	-
Termination benefits	-	-
Other	-	-
At 31 December	<u>(0)</u>	<u>(11,042)</u>
Fair value of plan asset		
At 1 January	6,500	7,470
Interest (expense) / income	137	137
Remeasurement:		
Return on plan assets (excluding amounts included in interest (expense)/income)	(128)	(637)
Contribution:		
Employer	-	-
Plan participants	-	-
Benefits paid	(409)	(470)
Settlements	-	-
Exchange differences	-	-
Acquired in business combination	(6,100)	-
Other	-	-
At 31 December	<u>0</u>	<u>6,500</u>



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

16. Retirement benefit obligations

Defined benefit plans (continued)

Amounts recognized in the income statement:

	2023	2022
	NOK'000	NOK'000
Current service cost	-	-
Net interest cost on net liability (asset)	137	75
	<u>137</u>	<u>75</u>

Amounts recognized in other comprehensive income:

	2023	2022
	NOK'000	NOK'000
Remeasurement (gains) / losses on plan assets	128	637
Remeasurement (gains) / losses on plan liabilities	(515)	(136)
Recognised during the year	<u>387</u>	<u>501</u>



IBM Finans Norge AS

Notes to Financial Statements

For the Year Ended 31 December 2023

17. Property, plant and equipment

	Equipment NOK'000	Leased Equipment NOK'000	Total NOK'000
Cost			
At 1 January 2022	18	350	368
Additions	-	752	752
Disposals	-	(311)	(311)
Reclassification, transfers, other	-	(193)	(193)
At 31 December 2022	18	598	616
Additions	-	410	410
Disposals	(18)	(871)	(889)
Reclassification, transfers, other	-	(137)	(137)
At 31 December 2023	-	-	-
Accumulated depreciation			
At 1 January 2022	(18)	(178)	(196)
Additions	-	(120)	(120)
Disposals	-	104	104
Reclassification, transfers, other	-	74	74
At 31 December 2022	(18)	(120)	(138)
Additions	-	(57)	(57)
Disposals	18	140	158
Reclassification, transfers, other	-	37	37
At 31 December 2023	-	-	-
Net book value			
At 31 December 2023	-	-	-
At 31 December 2022	-	478	478

18. Discontinued operations

During the year, IBM Corporation, the company's ultimate parent, reorganized its IBM Financing business outside of the United States to simplify its organizational structure and enable business efficiencies given the reduced scale and complexity of its financing portfolio.

Norway Business Transfer Agreement, dated as of 31st October 2023, has been signed between IBM Finans Norge AS and International Business Machines AS. With effective date of 1st November 2023, certain assets and liabilities were transferred from IBM Finans Norge AS to International Business Machines AS for selling price 96,416,443.23 NOK. The net book value of assets and liabilities transferred was 98,396,559.20 NOK. The difference between selling price and net book value of assets and liabilities transferred was recognized in the Statement of Profit or Loss and Other Comprehensive Income under Other Expense category.



IBM Finans Norge AS

Appendix:

For the Year Ended 31 December 2023

Appendix: Abbreviations

Abbreviations used in this publication are set out below:

AC	Amortised cost
AR	Accounts Receivable
CEO	Chief Executive Officer
CoE	Center of Excellence
COF	Commercial Financing
CUF	Customer/Client Financing
EAD	Exposure at default
ECL	Expected credit loss
FVOCI	(Financial assets/liabilities at) fair value through other comprehensive income
FVTPL	(Financial assets/liabilities at) fair value through profit or loss
GRMG	Global Risk Management Group
IAS	International Accounting Standards
IDC	Initial direct costs
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
LGD	Loss given default
NIBOR	Norwegian Interbank Offered Rate
OEM	Original Equipment Manufacturer
PD	Probability of default
ROU	Right-of-use
SICR	Significant increase in credit risk
SPPI	Solely Payments of Principal and Interest
YE	Year End

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To the General Meeting of IBM Finans Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of IBM Finans Norge AS (the Company), which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Profit or Loss and Other Comprehensive Income, Statement of changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, 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 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 19 April 2024
PricewaterhouseCoopers AS

Jone Bauge
State Authorised Public Accountant
(This document is signed electronically)



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