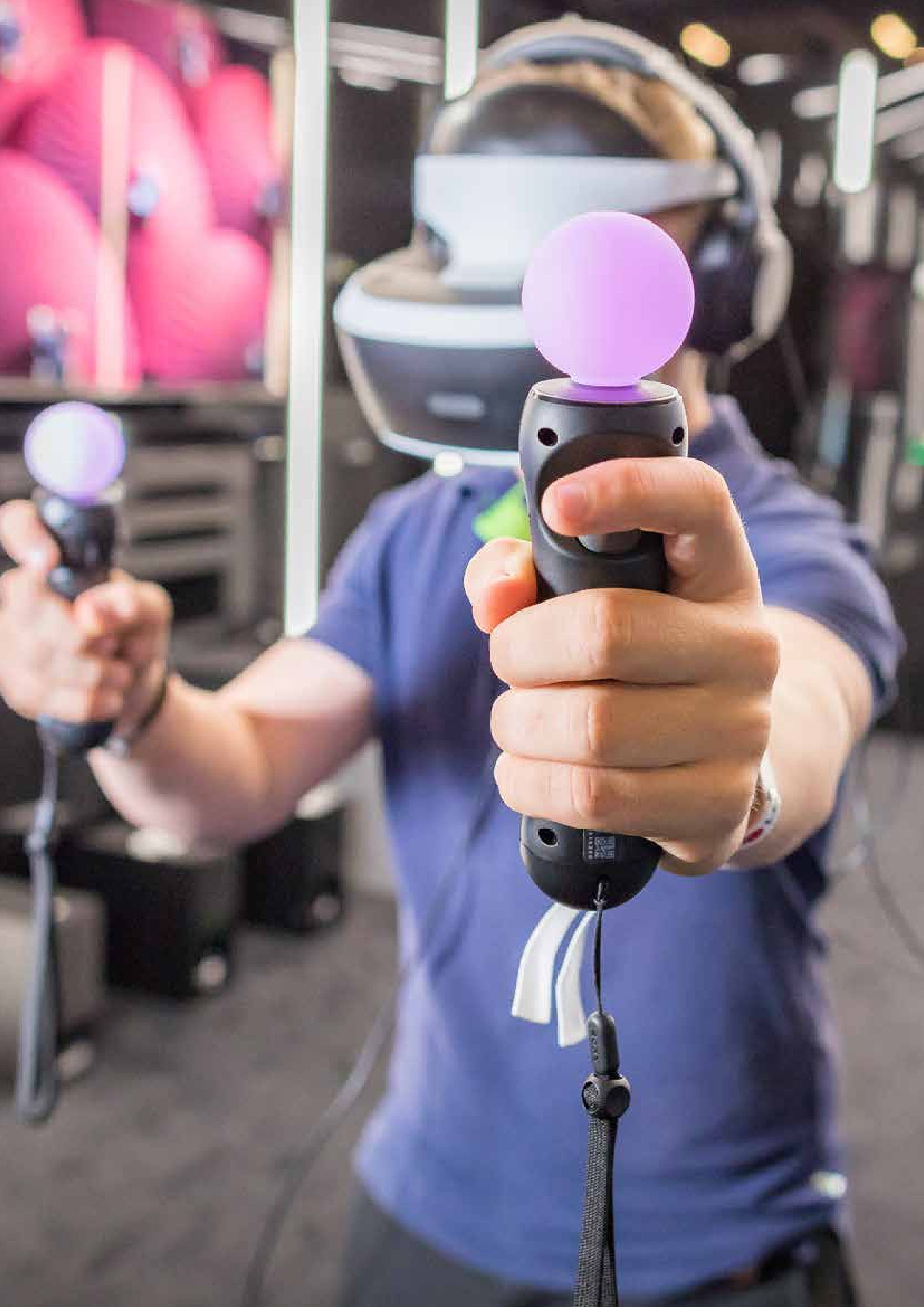
ANNUAL REPORT & ACCOUNTS

ELKJØP NORDIC AS - 2018/2019

ELKJØP NORDIC AS

CONTENT

Annual Report and Accounts for the fiscal year May 2018 to April 2019



HIGHLIGHTS

RECORD CUSTOMER SATISFACTION

RECORD EMPLOYEE ENGAGEMENT

RECORD NORDIC MARKET SHARE

RECORD TURNOVER OF NOK 38,4 BILLION

RECORD PROFITS OF NOK 1228 MILLION [1]

[1] Operating profit before other expenses adjusted is defined in the 'Alternative Performance Measures' section.


VARE

CEO COMMENTS

Dear colleagues, thank you for a fantastic job in a year where we have beaten almost every record. The way you channel your engagement, knowledge and energy into helping our customers every day is the greatest strength of this great company.

Dear customers, thank you for choosing to shop at Elkjøp/Elgiganten/Gigantti also in 2018/19. It is often seen as a cliché, but in retail the customer is king. And without you we wouldn't exist. So, thank you for giving us the opportunity to show what we can offer and help you enjoy amazing technology!

It is with great pride I sum up the year 2018/19. Record customer satisfaction, record employee engagement, record turnover, record profits and record market share! This is not given in a tough market where many retailers struggle and where weather has not been on our side, with record breaking heatwaves. I can assure you that we don't take this for granted, and that we use this as inspiration to continue to do everything we can to remain your preferred choice also in the future.

Summing up an eventful year in a few words will never do justice to the great team working hard every day, but I will nonetheless share some thoughts, highlights and reflections.

WE HELP EVERYONE ENJOY AMAZING TECHNOLOGY
That is our vision. That is what we strive to do. Every day. In order to make it happen we depend on having the best team, the best **WE**, and ensure that our team has the right knowledge, tools and attitude to help our customers. We invest both time and money in training our colleagues, both through our 'Academy' (e-learning) and in-person. The highlight this year (as every year) was CAMPUS; where we gathered 5000 colleagues to meet suppliers, see the newest products and learn how these products can make the lives better, easier and more fun for our customers. This is absolutely key to become their trusted advisors and to **HELP** them find the products and solutions that are right for them, help them to get started and help them get the most out of the products. We are proud that 92 % of our customers say that they are happy or very happy with the help they get. We still aim higher and we work hard every day to meet or exceed ever increasing customer expectations.

"WE HELP EVERYONE ENJOY AMAZING TECHNOLOGY"

As the undisputed market leader within consumer electronics in the Nordic region, we have a particular responsibility for how we conduct our business, treat our customers and employees and how we maintain our value chain. The Swedish children's book author Astrid Lindgren's character Pippi Longstocking – who is "the strongest girl in the world" - has her very own take on responsibility. She's famously quoted as saying: "If you are very strong, you also have to be very kind." One of our core values is responsible, and this is a pillar in everything we do. What matters to you, matters to us. We know that our customers and our employees expect us to behave responsibly and sustainably. This year we reduced the use of plastic carrier bags by more than 50 %. We collected more than 27 000 tons of electronic waste in the Nordics and we started trialling the use of trucks running on liquid biogas. Efficient is also one of our values. In our world there are lots of overlaps between efficient operations and sustainability; e.g., filling our trucks and optimizing their routes, minimizing both cost and environmental impact.

Sustainability needs to be ingrained in everything we do. We already do many things, but this is an area where we are committed to stepping up even further.

Every person is different. Every customer is different. If you know how to search in your e-mail you have more digital knowledge than the average person in the Nordics. 20 % of the Nordic population don't know what an 'app' is and about half of the population have products with features they don't know how to use. We want to help **EVERYONE.** That is why we are now working on changing how we talk about products, focusing more on what the product can do for you rather than technical specs. We have relentless focus on efficiency to be able to be affordable and offer the best prices (and price match). We also offer flexible financing options, delivery, installation and help to get started. In addition, Elkjøp Foundation works to help those who for various reasons are not able to keep up with new technology. This year we have also partnered with the technology company No Isolation to contribute to fewer people being technologically isolated, and we are now offering their screen KOMP in all our stores.

Even though we are the clear market leader in the Nordics, having everything for everyone is no easy task. Although we have a massive warehouse, it will never be big enough to house all the things our customers want to buy and expect us to sell. In response to this, we launched Elkjøp Marketplace (allowing other companies to sell their products at our online store) in Norway in 2017, and this year we rolled this out in Denmark, Sweden and Finland too, massively increasing the range we can offer to our customers. We have also significantly increased our range of Smart Home products to be a natural destination also in this area. Many customers think this belongs to the future, but with more than 1 BNOK of sales in 2018/19 I think it is safe to say that 'Smart is here'.

In addition, many people still think of us as a B2C company. We are for everyone, both B2C and B2B. We already have many business customers and find that they value many of the same things as our B2C customers do. Despite many similarities there are also differences and we have taken many steps in 2018/19 to deliver on what our business customers value, to deliver 'business made easy'. Still, we are on a journey and will continue developing in the years to come.

"SHOPPING WITH US SHOULD BE EASY"

Technology can be fun. It should be amazing, and it should be enjoyable. We want you to **ENJOY AMAZING TECHNOLOGY.** Shopping with us should be easy. It doesn't matter if you want to walk into one of the 410 physical stores, browse our online stores or combine the two. In 2018/19 we had strong growth of 20 % online, with the highest growth in 'click & collect'. This underlines the strength in our multichannel offering. We have simplified our online check-out and improved communication throughout the journey. Our online self-help section has been significantly improved and you can now find information on many of our services online. We have introduced 'Renew It' allowing for monthly payments and easier upgrading. We have introduced Elkjøp Outlet, which is cheaper for you and better for the environment. We have launched click and collect in one hour. This year we also rolled out in-store repair in many of our stores. We have now upgraded about 50 stores to our new store concept, which has been very well received by our customers. If you want to experience it, I strongly recommend a visit to our flagship store in Lørenskog.

Technology should be amazing. This isn't always the case and we want to help you when technology sometimes get 'un-amazing'. We are definitely more than things. We already offer delivery, installation and help to get started. We can fix your products when something goes wrong – we even own our own

repair company – we can help you with insurance and financing and we have a great team working to continuously develop new and better services.

The biggest award in our world is whether a customer chooses to shop with us. We do however get some recognition for the work we put into this, and I want to share a few highlights.

In Sweden, we won 'Retailer of the Year' and our new store concept was awarded 'Omni-experience of the year' in the Retail Awards. Prisjakt named us 'Store of the year' within Audio/Video. Gigantti was awarded 'Best online store in Finland' (Digital successes by BearingPoint), and Prisjakt named us best retailer in Computing & Phones. Pricerunner named us 'Denmarks most popular online store 2018'.
In addition, Elgiganten was awarded a special visit from the Danish Ministry of Employment, as minister Troels Lund Poulsen used Elgiganten to showcase growth in the economy and good recruiting.

Our customer club in Sweden reached 1.5 million members in 2018/19. The members get many benefits, and our customer club members are happier and shop with us more often than our non-club customers. We have taken the key learnings from Sweden and in 2019/20 we will roll out to the remaining Nordic countries.

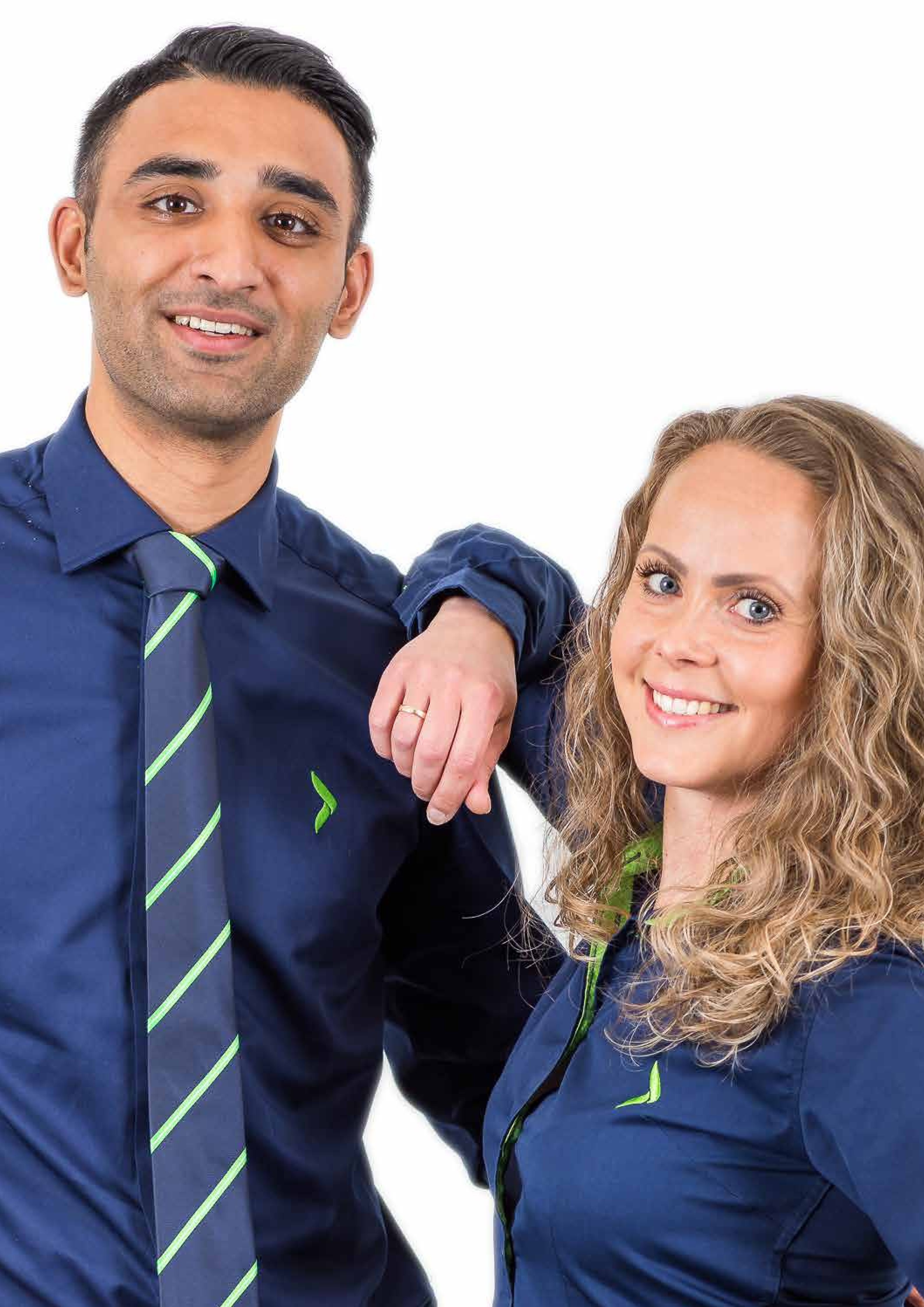
On 23rd November 2018 (Black Friday) Elkjøp Nordic set yet another new record. At least I'm not aware of any other retailer selling for 1 million NOK every minute for 24 hours (totalling 1,46BNOK). It takes more planning than you can imagine making this happen and it is the result of great teamwork. Even with planning, Black Friday can be a bit chaotic, still 90 % of the customers giving us feedback that day were happy or very happy and that is an equally impressive accomplishment in my mind.

Elkjøp's strengths historically have been our great scale, range and reach. Our efficient operations, low prices and good deals. Our company culture and our employees. All these things are still our strengths, but we don't think this is enough. We understand that technology is becoming a larger part of people's life. We understand that getting everything to work, and work together, can be difficult. We want to help you discover amazing technology. We want to be trusted advisors and help find the right products and solutions for you. We want to help you get started and get the most out of your products, including fixing it if something is not working. We want to be with you all the way; we want to help you trade-in and upgrade when and how you want. We take sustainability seriously and go the extra mile to ensure efficient operations and repurposing through re-use and recycling.

We want to be the only one you need within electronics. We want to help you, and everyone, enjoy amazing technology.

Erik Gunset Sønsterud
CEO Elkjøp Nordic AS

"WE WANT TO HELP YOU GET STARTED AND GET THE MOST OUT OF YOUR PRODUCTS"

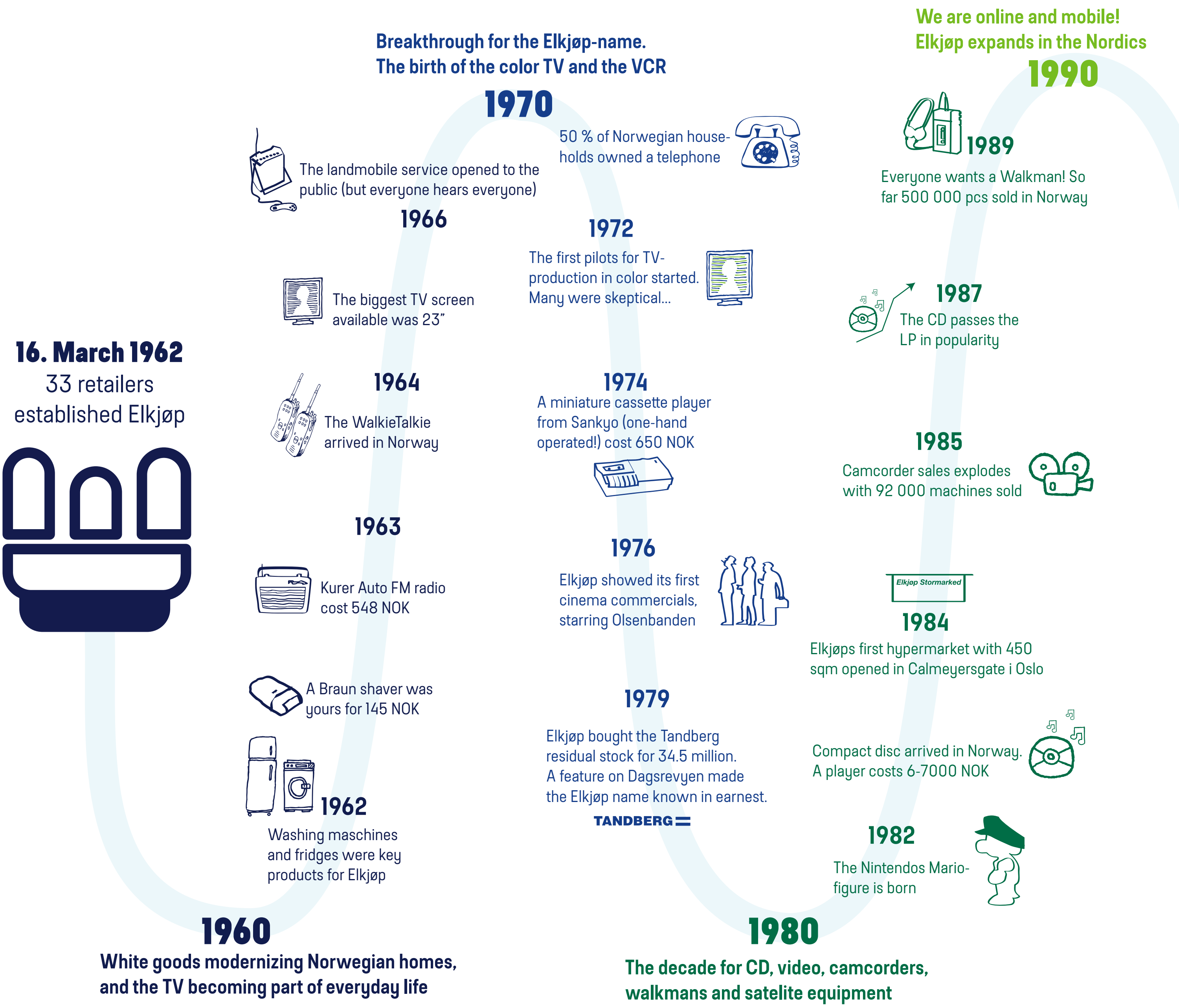


ABOUT ELKJØP

Elkjøp is the leading consumer electronics retailer in the Nordics. We mostly sell consumer electronics, computers, mobile phones, white goods, small domestic appliances, kitchens under the EPOQ brand, smart home solutions and services linked to these products, both directly to consumers and to businesses.
We are an omnichannel retailer and serve our customers both through physical stores and our online stores. We offer a wide range of well-known brands at the best prices in the market.
And we do this through a relentless focus on the customer, knowledge, efficiency and a strong company culture.

BRIEF HISTORY

Elkjøp was founded in Norway in 1962 as a cooperation between 33 voluntary dealers, to buy bigger volumes at better prices from the suppliers. Since then Elkjøp has grown to become a solid market leader within consumer electronics and home appliances in the Nordics. Elkjøp was listed on the Oslo Stock Exchange in 1993 and throughout the 90's expanded to the other Nordic countries, in addition to establishing a joint Nordic central warehouse in Jönköping. In 1999, Elkjøp was acquired by Dixons Group plc (now Dixons Carphone plc). For a glimpse into the history of Elkjøp, please see the picture below.



Thor Bjarmann
(1945-2001)

Was a prominent leader in Elkjøp Nordic over two decades, serving as the Elkjøp group CEO for 13 years. As a result of his energy, charisma, courage and innovative mindset, Elkjøp revolutionized consumer electronics retailing. The company's turnover grew from NOK 500 million to more than NOK 5.5 billion, and the foundation for our current operating model was established under his leadership.

Thor Bjarmann had a strong and clear belief in people as the enabler for success. With his usual energy, enthusiasm and determination, he put people development, and the importance of learning at the core of our culture.

Elkjøp established its own computing department

1992
TV 2 airs and Elkjøp broadcasted their first TV commercials

1993
Elkjøp listed on Oslo stock exchange

1994
VCRs sold for under 1000 NOK

Elkjøp established in Sweden as Elgiganten

1995
Mobilephones sold for 1 NOK!

The internet became common in Norway

1996
Elkjøp established as Elgiganten in Denmark

1997
Elkjøp Nordic Distribution Center (NDC) built in Jönköping, Sweden

1999
Elkjøp established as Gigantti in Finland

Elkjøp aquired by Dixons Retail

2000
Mp3 and flat screens is taking over. Everyone wants Apple!

2002
Elkjøp launched websites in Norway, Denmark and Sweden

2003
Mobilephones with camera.

Grundig 42' plasma-TV cost around 169 000 kroner.

2007
Elkjøp started selling kitchens

2008
Panasonic 42' plasma-TV cost 5490 NOK.

Elkjøp opened its first Megastore with 5000 sqm in Lørenskog.

2009
50% of the Norwegian households own a flatscreen.

Samsung launched LED-TV.

The smart phone - the remote control of everyone's life

2010
Tablets taking over. Surfing becomes a national activity

Elkjøp launched Facebook page

2011
Blu-Ray passed DVD

iPad2 is Christmas gift of the year

2012
3 of 4 Norwegians have a smartphone

2013
Elkjøp with new logo and launch of Knowhow as own support and service brand

2014
Dixons Retail and Carphone Warehouse merge and Elkjøp takes over 100 Phone House stores in Sweden

2015
NDC2 expansion with state-of-the-art automated smallbox warehouse

2016
Elkjøp aquired 10 FONA stores in Denmark

Elkjøp aquired InfoCare workshop

2017
Elkjøp joined Workplace by Facebook

Everyone went crazy over Pokémon Go - sale of powerbanks exploded

2018
Lefdal stores in Norway rebranded to Elkjøp

2019
Smart is here!

To be continued...

OVERVIEW

The Elkjøp Group is by far the largest electronics retailer in the Nordic countries, with retail established in Norway, Sweden, Denmark and Finland, in addition to franchise operations on Greenland, Iceland and the Faroe Islands. The Group operates through Elkjøp and Elkjøp Phonehouse in Norway, Elgiganten and Elgiganten Phonehouse in Sweden, Elgiganten in Denmark and Gigantti in Finland. Elko on Iceland, Elding on the Faroe Islands and Pisiffik on Greenland.

Elkjøp Nordic has online stores in each country, 410 physical stores (including franchise) and 10 000 fantastic colleagues across the Nordics. All stores located in the Nordic countries are supplied by the Group's 107 000 m2, modern central warehouse located at the heart of the Nordics, Jönköping in Sweden. We have local back offices in each country, with Elkjøp Nordic's back office located in Nydalen, Oslo.

NORWAY

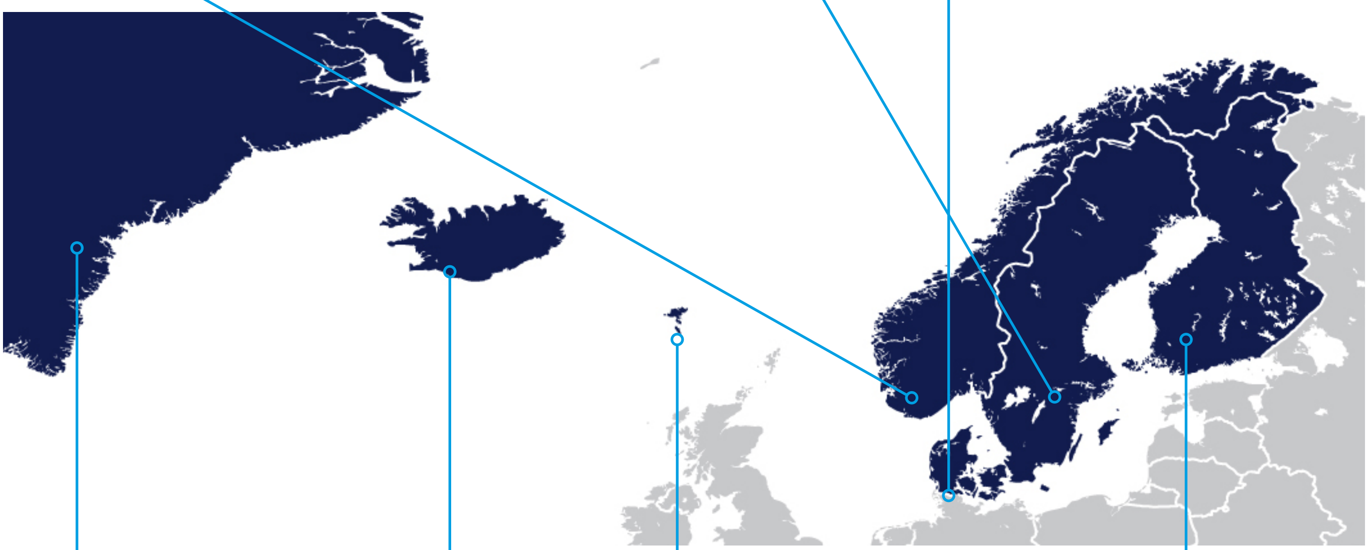
ELKJØP: 49 stores
ELKJØP FRANCHISE: 67 stores
ELKJØP PHONEHOUSE: 27 stores
DIXON TRAVEL: 2 stores
Revenue: 12 166 MNOK
www.elkjop.no

SWEDEN

ELGIGANTEN: 45 stores
ELGIGANTEN FRANCHISE: 38 stores
ELGIGANTEN PHONEHOUSE: 65 stores
PHONEHOUSE FRANCHISE: 24 stores
Revenue: 11 840 MNOK
www.elgiganten.se

DENMARK

ELGIGANTEN: 38 stores
Revenue: 8 001 MNOK
www.elgiganten.dk



GREENLAND

PISIFIKK FRANCHISE: 7 stores

FAROE ISLANDS

ELDING FRANCHISE: 2 stores

ICELAND

ELKO FRANCHISE: 4 stores

FINLAND

GIGANTTI: 20 stores
GIGANTTI FRANCHISE: 19 stores
GIGANTTI PHONEHOUSE: 2 stores
Revenue: 5 421 MNOK
www.gigantti.fi

ELKJØP NORDIC DISTRIBUTION CENTER

– THE HEART IN OUR LOGISTICS SET-UP

Elkjøp Nordic Distribution Center (NDC) is located in Jönköping, Sweden, and is one of the keys to our low prices. With all our products centralized in one place, there are fewer stops on the way and more efficient transportation of products from factory to the store and you as a customer.

The NDC was built in 1997 and was extended in 2000, 2007 and 2016 to keep up with the revenue growth, more direct deliveries (online) and to stay efficient through automation of operations, including 220 robots that place and pick up goods with a capacity of 7000 boxes in and out per hour.

Today the NDC holds 107 000 square meters. It has its own railway track and 85 loading and unloading ports for trailers. On average, 75 full-load cars are used daily, and around 1 million packages a year are shipped. During our high season (around Christmas), a truck of goods from the central warehouse runs every 9 minutes - 24 hours a day!

Elkjøp NDC delivers the products to 410 stores, 85 hubs and directly to customers throughout the Nordics. The location of the NDC is not accidental, as Jönköping is in the middle of the Nordics and allow us to reach 80 % of the population within 24 hours.

Around 400 of our colleagues work at the NDC, but the numbers increase significantly during the high season, when 600 - 700 people work on a 3-shift operation (day, evening, night) to ensure that we get the Christmas presents home to people across the Nordic region.


WE
ARE
ON

OUR CULTURE

At Elkjøp we believe that culture matters. Ever since Thor Bjarmann introduced the 'culture poster' in the early 80's, every employee has used the elements to guide how we work, how we think and how we interact with our colleagues and our customers. The original culture poster included values such as punctual, efficient and hard working, and stated that every Elkjøp-er should be helpful, polite and honest. In addition, we should be the best, have fun and make money. In 2009, we added one element that always had been at the core, but without being stated: make the customer happy.

In 2016 we launched our new vision and values. The old culture poster served us well, but at the same time it was time to take it a step further. To "give everybody the amazing world of technology". Our values efficient and engaged were already part of our DNA, but we chose to add responsible and have worked hard since to articulate what that means for our business.

Our vision has since been adjusted one more time, to the current vision that describes what really motivates us every single day: "We help everyone enjoy amazing technology". This sets the scene for what we do and how we work.

WE HELP EVERYONE ENJOY AMAZING TECHNOLOGY

We are truly passionate about technology. Technology can be amazing, and it is this world we want to show, share and experience with our customers. To do that we need to ensure that it is affordable, and we take pride in offering the best prices in the market, including price match. It also needs to be available, and we have the set up to support this, through our great store portfolio, online shops, central warehouse and IT systems. But we offer so much more than that. The amazing world of technology is big and complex, and we need to help our customers choose the right products for them.

"WE BELIEVE THAT ENGAGED EMPLOYEES EQUALS HAPPY CUSTOMERS EQUALS GREAT RESULTS"

We need to help them make it work. And fix it if something goes wrong. Our colleagues in our stores are our key asset in this. And we strongly believe that the combination of great stores, engaged and knowledgeable employees and easy to use online stores will be a strength in delivering on our vision in the years to come.

EFFICIENT

Elkjøp is based on efficiency and cost leadership. Centralized purchasing and distribution, efficient logistics, low cost operations and general cost consciousness is key to offer the best prices to our customers and still make money. We continuously work to further improve efficiency and have made significant investments also in recent years to help us do so. One example is the roll-out of electronic price tags to all our stores. It was a major investment that gives better customer experience as the price is always the same online and in store and it allows our colleagues in stores to focus their time on helping our customers rather than printing and changing prices.

ENGAGED

Engagement is key. We believe that engaged employees equals happy customers equals great results. For the third time in a row the year was kicked-off with our annual Campus training-event. Over the course of eight days, more than 5000 employees, met with suppliers and partners for classroom trainings and introduction to new and existing product-ranges. Since the first Campus in 2016, the event has grown to be the biggest consumer electronics fair in the Nordic region, with more than 150 suppliers attending. With considerable investment from both Elkjøp and our suppliers, Campus has become the single most important element in competence development for our employees – both in terms of product knowledge and sales-training, and in reinforcing the Elkjøp culture in all parts of the company. Our colleagues are eager to learn more, but it is challenging providing high quality trainings in an efficient manner.

Two years ago we launched our development and e-learning system Elkjøp Academy. It allows everyone to efficiently update themselves on products, services, systems, and leadership skills, at the time and device of their convenience. With almost two thirds of our staff being under the age of 30, we have pioneered the use of modern internal communications tools. As one of the first major companies in the world, Elkjøp introduced Workplace by Facebook as the main internal communications platform in May 2016. Workplace has become a strong tool for both knowledge-sharing, culture-building and employee engagement. With a record rate of use and mobile adoption, Elkjøp has become a strong and relevant case for Facebook when promoting the platform. We offer great possibilities to develop, and we are proud to say that a substantial share of our top management and back office employees started their career in one of our stores.

"ELKJØP IS ACTUALLY – AND BY FAR, THE BIGGEST RECYCLER OF ELECTRONIC WASTE IN THE NORDICS"

To offer the best to our customers we need the best people. In 2018/19 alone, we received more than 100 000 applications from people wanting to work with us, giving us the privilege to choose the very best.

In November 2018, the Norwegian back office followed the Nordic back office, and moved to a new office-building in Nydalen, Oslo. With the Nordic and Norwegian head-offices just across the street from each other, we are able to co-operate even closer, and we have seen staff move between the two organizations too.

RESPONSIBLE

We are the market leader, and we know that both our customers and our colleagues expect us to behave accordingly, in a responsible manner. Responsibility is one of Elkjøp' s three core values that influence everything we do in our daily operations.

We strive to be a responsible employer. Each year, Elkjøp invests more than 60 million NOK in training and knowledge development for employees in all levels of the organization. We are also piloting a management trainee program for female applicants.

Caring for our planet is being responsible. That's why we work hard to become greener every day, by minimizing food waste, choosing LED lighting and the most efficient transportation. More importantly, we focus on prolonging product life span through repairs, and being best in class on recycling. Elkjøp is actually – and by far – the biggest recycler of electronic waste in the Nordics. We collect and recycle 27 000 tons of electronic waste annually, reducing both waste and greenhouse gas emissions. We also reduce our carbon footprint in other ways. In March 2019, Elkjøp trialed the use of delivery trucks running on fossil-free bio-gas from the Nordic Distribution Center.

The results of the trials will form the basis for future requirements in tender-processes for road-delivery services. Starting in 2020, companies delivering logistics-services to Elkjøp must provide a certain percentage of the truck-tonnage on fossil-free trucks. Carbon emissions from delivery trucks are a substaintial part of our climate footprint, which means replacing diesel-trucks with trucks running on bio-gas, electricity and other fossil-free fuels will be a key focus looking forward.

Becoming greener can also be combined with other aspects of being responsible. In 2017 we launched The Elkjøp Foundation simultaneously with introducing a small fee for each plastic bag bought in our stores. That has not only reduced plastic carrier bag use by 54 percent, removing 75 tons of plastic from the environment, but also channeled the funds from the sale of bags into the Foundation. Our store colleagues can apply for funding from the Foundation to local causes, either in the form of funding, products or help and support, and in doing this our goal is to spread digital competence and prevent people from being digitally left behind.

In 2018/19 the Foundation supported various projects ranging from children hospitals and crisis centers, to voluntary work at The Red Cross and The Salvation Army. In addition, the Foundation supported a broad range of initiatives for children, including the organizations Maskrosbarn in Sweden, that help children whose parents struggle with abuse and mental illnesses, and SMIL-Fonden in Denmark, helping children that suffer from serious illnesses.

Last, but not least, being responsible is seeing other people's needs. The employees at Elkjøp Nordic HQ chose to donate their Christmas gift to the Sunnaas Foundation in Oslo which received products for 100 000 NOK, to be spent on their programs for bringing young people back after serious injuries.

"OUR COLLEAGUES IN OUR STORES ARE OUR KEY ASSET"

OUR VALUES

RESPONSIBLE

As market leader we take and embrace the responsibility given us to lead, define and develop our market. We always strive to offer the best products, solutions and services possible, available for everyone. We go to great lengths to exceed our customers' expectations and take measures to reduce waste and greenhouse gas emissions.

EFFICIENT

We run our business in the most efficient way, offering our customers the best solutions there are, at the least hassle possible. Being efficient and cost smart, is the very reason why we can offer a large range of products and services at low prices, while we never compromise on customer experience.

ENGAGED

Engagement is in the roots of our culture. It creates energy to push things forward. It gets us dedicated to help people embrace the amazing opportunities within technology, and to inspire our colleagues to make a difference. Our engagement is what makes everything possible, our customers happy and us having fun, every day.

KEY FIGURES

Group (amounts in NOK million)	**Year ended 30 April 2019**	**Year ended 30 April 2018**
Revenue	38 439	37 375
Growth % (revenue) [1]	2,8 %	9,4 %
EBITDA	1 815	1 413
EBITDA (%)	4,7%	3,8%
Operating profit before other expenses adjusted [2]	1 228	1 115
Cash provided by operating activities	1 027	795

Year-end financial position	**30 April 2019**	**30 April 2018**
Total assets	10 758	10 763
Investments in intangible and fixed assets	588	425
Equity	3 384	3 575
Asset/equity-ratio	3,2	3,0

MARKET SEGMENT (amounts in NOK million)

Norway	**Year ended 30 April 2019**	**Year ended 30 April 2018**
Revenue	12 166	11 999
Growth (%)	1,4 %	11,4 %
EBITDA	377	266
EBITDA (%)	3,1 %	2,2%
Number of owned stores at period end	78	81
Net new/(closed) stores in the period	-3	3
Sweden		
Revenue	11 840	11 482
Growth (%)	3,1 %	11,5 %
EBITDA	205	255
EBITDA (%)	1,7 %	2,2 %
Number of owned stores at period end	110	111
Net new/(closed) stores in the period	-1	-
Finland		
Revenue	5 421	5 346
Growth (%)	1,4 %	11,5 %
EBITDA	7	106
EBITDA (%)	0,1 %	2,0 %
Number of owned stores at period end	22	20
Net new/(closed) stores in the period	2	(1)
Denmark		
Revenue	8 001	7 785
Growth (%)	2,8 %	8,4 %
EBITDA	162	206
EBITDA (%)	2,0 %	2,6 %
Number of owned stores at period end	38	37
Net new/(closed) stores in the period	1	(2)

[1] Fx neutral growth was 3,7% in 2018/2019 (6,9% in 2017/2018)
[2] Operating profit before other expenses adjusted is defined in the 'Alternative Performance Measures' section.

BOARD OF DIRECTORS' REPORT

FISCAL YEAR ENDING APRIL 2019

MAIN ACTIVITIES
The business area for Elkjøp Nordic AS is to conduct trade in consumer electronics, home appliances and related products and services.

Elkjøp Nordic AS is a limited-liability company with head office in Oslo, Norway. Elkjøp Nordic AS with subsidiaries (The Group) is part of Dixons Carphone plc., located in London and listed on the London Stock Exchange. The Group operates in Norway, Sweden, Denmark and Finland.

GOING CONCERN
In accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on the going concern principle.

REVIEW OF THE CONSOLIDATED FINANCIAL STATEMENT
The turnover increased from NOK 37 375 million to NOK 38 439 million, an increase of 2.8% (Fx neutral 3.7%). Especially Sweden contributed to the growth, while the other markets had a flat development in a highly competitive market. The Groups e-commerce has a higher growth compared to stores, and we see the importance of interaction between the e-commerce channels and our physical stores. Operating profit before other expenses increased with 20.4 %, from NOK 1 110 million to NOK 1 336 million. Profit after tax for the fiscal year ended at NOK 1 023 million, compared to NOK 743 million last year. Last year, the Norwegian brands where consolidated into one brand, Elkjøp, with the removal of the Lefdal brand. The consolidation is considered a success, both when it comes to sales exceeding expectations and significant cost reduction as all focus has been directed to the Elkjøp chain.

Electronic shelf-edge price ticketing has been rolled out in all markets with great success. The roll out enables integration with central systems which removes manual process in updating prices in stores. The stores save a lot of working time and cost and can put more resources on sales and customer support with this solution.

Total investments for the fiscal year were NOK 588 million, which was NOK 91 million higher than last year.

The Board is not aware of any matters of importance for the evaluation of the Group's position and result which are not presented in the income statement, balance sheet, cash flow statement and notes.

Total assets at year end 2018/2019 were NOK 10 758 million. The corresponding figure for 2017/2018 was NOK 10 764 million. The equity ratio for 2018/2019 is 31.5 %.

The Group generated a net cash flow from operating activities of NOK 1 027 million. This is an increase of NOK 232 million compared to 2017/2018, mainly driven by changes in the working capital items.

No events have occurred since the end of the fiscal year that is relevant to the assessment of the Group.

The Board considers the outlook for the business to be good, and continued growth of the parent company and its subsidiaries in the years ahead is expected. The Board believes that the financial statements give a true and fair view of the assets, liabilities and financial position at April 30 2019, and the Group's operations and cash flow for the financial year 1 May 2018 –30 April 2019.

REVIEW OF THE COMPANY FINANCIAL STATEMENT

The Board is not aware of any matters of importance for the evaluation of the company's position and result which are not presented in the income statement, balance sheet, cash flow statement and notes.
The turnover increased from NOK 29 980 million to NOK 31 180 million, an increase of 4.0 %. Profit after tax for the fiscal year ended at NOK 954 million.
No events have occurred since the end of the fiscal year that is relevant to the assessment of the company.

The Board considers the outlook for the operation to be good, and continued growth of the company and its subsidiaries in the years ahead is expected. Financial risk is considered to be low as the company and its subsidiaries have good earnings, solid equity base and good liquidity. All long-term financing is from group companies. The Board believes that the financial statements give a true and fair view of the assets and liabilities, financial position and results.

FINANCIAL RISK

The Group is exposed to financial risk in different areas, especially foreign exchange rate risk.
To manage this risk, the Group uses financial instruments. The Group mainly hedges purchases in EUR and USD against NOK, and sales in DKK and SEK against NOK. The contracts are entered into on regular market terms.

THE MARKET AND ENVIRONMENT

The market for consumer electronics is characterized by tough and intensive competition, and it is expected that the margins will continue being under pressure as a result of the digital and global development. This will continually demand efficiency and cost savings by the Group. Although the business is cyclical, with higher activity at the end of each calendar year, the Group has had a healthy liquidity situation throughout the year. The Elkjøp Group sells annually approximately 40.000 tons of electronic products in Norway, 30.000 in Sweden, 20.000 in Denmark and 20 000 in Finland.

The Group is aware of the impact the business has on the environment and is proactively working to minimize this impact. Activities include focus on repairing products when possible, facilitating return of used electronical waste, ensuring efficient recycling of products, ensuring optimal utilization of trucks and replacing diesel with bio-gas and electricity. Implementation of energy management systems is also an important measure in the Group.

Safe and efficient logistics are essential for the Group to run the business. Our main warehouse in Jönköping is the hub of goods transport. Several measures have been implemented to ensure that transport services are carried out in a responsible and environmentally effective manner. In our transport agreements strict environmental and safety standards and good working conditions are essential conditions.

In EU, countries are committed to follow the EU WEEE-directive (Waste Electrical and Electronic Equipment). In accordance with this the Group collects, recycles and scraps a share of the total volume sold.

> "SAFE AND EFFICIENT LOGISTICS ARE ESSENTIAL FOR THE GROUP TO RUN THE BUSINESS"

EQUAL OPPORTUNITIES AND DISCRIMINATION

The Group aims to be a workplace with equal opportunities and focuses on preventing discrimination based on ethnicity, national origin, descent, skin colour, language, religion or belief. Traditionally, there are more male applications in the industry where the Group operates. The Group is convinced that a diverse and broadbased workforce is a competitive advantage.

Gender distribution in the Group was 27 percent women and 73 percent men. The groups top management team consists of 33 percent female and 67 percent male managers.

The company is aware of the gender imbalance, and works actively to promote equality in traditionally gendered roles and in management by encouraging gender equality and diversity through recruitment policy and annual people reviews. The Elkjøp recruitment policy states that the best candidate for a position is chosen, with diversity aims in mind. During fall of 2018, Elkjøp in Norway launched a management trainee program for women only, in order to attract more women to management positions.

Driven by in-store staff, Elkjøp has a relatively young workforce with 63 percent of all employees under the age of 30. Another 33 percent of employees are in the agebracket between 30 and 49, and five percent are over the age of 50.

The working environment is good. There were no significant accidents or injuries, and absence due to sickness is within normal values. Absence due to sickness was about 3.7 % of the total working hours in the Group.

Marianne Nøkleby

Erik Gunset Sønsterud

Per Erik Wernersson

Jonathan Peter Mason

OSLO, NORWAY, 29 OCTOBER 2019
The Board of Directors
Elkjøp Nordic AS

Marianne Nøkleby
Member of the board

Per Erik Wernersson
Member of the board

Jonathan Peter Mason
Chairman of the board

Erik Gunset Sønsterud
CEO / Member of the board

CONSOLIDATED INCOME STATEMENT

NOK in million	Note	Year ended 30 April 2019	Year ended 30 April 2018
Revenue	4	38 439	37 375
Cost of goods sold	4	-29 745	-28 837
Employee costs	5	-4 061	-4 127
Operating expenses	6, 26	-2 768	-2 818
Amortisation and Depreciation	11, 12	-486	-450
Net currency gains (losses)	7	-44	-33
Operating profit before other income / (expenses)		**1 336**	**1 110**
Other expenses	7	-0	-127
Operating profit		**1 336**	**983**
Finance income		11	14
Finance costs		-50	-26
Net finance costs	**8**	**-39**	**-12**
Profit / (loss) before tax		**1 296**	**972**
Income tax (expense) / credit	9	-274	-229
Profit / (loss) after tax - continuing operations		**1 023**	**743**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

NOK in million	Note	Year ended 30 April 2019	Year ended 30 April 2018
Profit after tax for the period		**1 023**	**743**
Item that may be reclassified to the income statement in subsequent years:			
Cash flow hedges			
Fair value movements recognised in other comprehensive income	19	-11	214
Tax on items that may be subsequently reclassified to profit or loss	19	-68	-104
Reclassified and reported in income statement	19	-4	-
Tax on items reported in income statement	9, 19	18	-25
Exchange gains / (losses) arising on translation of foreign operations	19	-11	10
Total of items that may be reclassified to the income statement in subsequent years		-77	94
Items that will not be reclasssified to the income statement in subsequent years:			
Actuarial gains / (losses) on defined benefit pension schemes	5, 19	-6	-6
Tax on actuarial gains / (losses) on defined benefit pension schemes	9, 19	1	1
Total of items that will not be reclasssified to the income statement in subsequent years		-5	-4
Other comprehensive income / (expense) for the period (taken to equity)		**-82**	**90**
Total comprehensive income for the period		**941**	**833**

CONSOLIDATED BALANCE SHEET

NOK in million	Note	30 April 2019	30 April 2018
Assets			
Goodwill	10	1 087	1 082
Intangible assets	11	410	379
Property, plant and equipment	12	901	844
Trade and other receivables	14	75	88
Deferred tax assets	9	18	47
Non-current assets		**2 487**	**2 440**
Inventory	13	5 002	4 574
Trade and other receivables	14	2 168	1 665
Derivative assets	20, 21	158	253
Cash and cash equivalents	20, 22	333	335
Cash Pool	15, 20	610	1 497
Current assets		**8 272**	**8 323**
Total assets		**10 758**	**10 764**

NOK in million	Note	30 April 2019	30 April 2018
Equity and Liabilities			
Share capital		72	72
Share premium reserve		107	107
Accumulated profits and other reserves		3 206	3 396
Total equity	**19**	**3 384**	**3 575**
Liabilities			
Provisions - non-current	18	66	93
Deferred tax liabilities	9	150	135
Deferred and contingent consideration - non-current	17	37	49
Employee benefit obligations	5	9	26
Non-current liabilities		**262**	**302**
Provisions - current	18	49	135
Income tax payable	9	242	197
Deferred and contingent consideration - current	17	17	17
Derivative liabilities	20, 21	61	57
Trade and other liabilities - current	16, 20	6 667	6 276
Cash pool liability	15, 20	76	204
Current liabilities		**7 112**	**6 887**
Total equity and liabilities		**10 758**	**10 764**

OSLO, NORWAY, 29 OCTOBER 2019
The Board of Directors
Elkjøp Nordic AS

Jonathan Peter Mason
Chairman of the board

Marianne Nøkleby
Member of the board

Erik Gunset Sønsterud
CEO / Member of the board

Per Erik Wernersson
Member of the board

CONSOLIDATED STATEMENT OF EQUITY

NOK in million	Note	Share capital	Share premium reserve	Accumulated profits	Translation reserve	Other reserves	Total equity
At 1 May 2017		**72**	**107**	**4 138**	**-**	**44**	**4 360**
Profit for the period		-	-	743		-	743
Other comprehensive income and expense recognised directly in equity		-	-	-	10	80	90
Total comprehensive income and expense for the period		-	-	743	10	80	833
Equity dividends		-	-	-1 200	-	-	-1 200
Group contribution to holding company DSG Retail Norway		-	-	-542	-	-	-542
Tax on group contributions				124			124
At 30 April 2018		**72**	**107**	**3262**	**10**	**124**	**3 575**
Profit for the period		-	-	1 023	-	-	1 023
Other comprehensive income and expense recognised directly in equity		-	-		-11	-71	-82
Total comprehensive income and expense for the period		-	-	-	-11	-71	941
				1 023			
Equity dividends		-	-	-900	-	-	-900
Group contribution to holding company DSG Retail Norway		-	-	-300			-300
Tax on group contributions	9	-	-	69	-	-	69
At 30 April 2019	19	**72**	**107**	**3154**	**-2**	**53**	**3 384**

CONSOLIDATED STATEMENT OF CASH FLOW

NOK in million	Note	Year ended 30 April 2019	Year ended 30 April 2018
CASH FLOW FROM OPERATIONS			
Profit/(loss) on ordinary activities before taxation		1 296	972
Taxes paid for the period		-95	-65
Depreciation and amortisation		486	450
Gain/loss from sale of fixed assets		6	21
Pension expenses without cash effect		-6	-6
Change in inventory		-429	-820
Change in trade receivables		-503	-17
Change in trade payables		390	211
Changes in other current assets and other liabilities		-117	50
Net cash flow from operations		**1 027**	**795**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Outflows due to purchases of fixed assets		-354	-270
Outflows due to purchases of intangibles		-234	-155
Net cash flow from investment activities		**-588**	**-425**
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in net cash pool balance		759	1 339
Payments of dividend		-900	-1 200
Payments out due to group contribution		-300	-542
Net cash flow from financing activities		**-441**	**-403**
Net change in cash and cash equivalents	22	-2	-33
Cash and cash equivalents 1 May		335	368
Cash and cash equivalents 30 April		**333**	**335**

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT THE BUSINESS

Elkjøp Nordic AS (the Company) is a limited liability company incorporated in Norway. The Group consist of Elkjøp Nordic AS with subsidiaries (The Group), and is wholly owned by Dixons Carphone plc located and listed in England. The Company is subject to the provisions of the Norwegian Act relating to Limited Liability Companies. The Company's principal offices are located at Nydalsveien 18A, 0484 Oslo, Norway.

The Group is the Nordic region's largest retailer in consumer electronics and electrical household appliances. The group has established retail businesses in Norway, Sweden, Denmark, Finland, Iceland, Greenland and the Faroe Islands in a combination of own stores and franchise. All of the approximately 410 stores in the Nordic region are mainly supplied by our own distribution services, with a central warehouse in Jönköping of 107,000m2.

These consolidated financial statements have been approved for issuance by the Board of Directors on 29 October 2019 and is subject to approval by the Annual General Meeting on 29 October 2019.

2. TRANSACTIONS AND EVENTS IN 2018/2019

Last financial year several structural initiatives was carried out to streamline the business. This Financial year the Group has focused on incorporate the changes and secure that expected cost reductions and efficiencies are achieved. One of the largest changes in the Group over the last years, the rebrand of the Lefdal chain to Elkjøp, has contributed to significant cost reductions in this financial year.

Electronic shelf-edge price ticketing has been rolled out in all markets with great success. The roll out enables integration with central systems which removes manual process in updating prices in stores. The stores save a lot of working time and cost and can put more resources on sales and customer support with this solution.

It is important to free-up time in the stores so sales personnel can improve the customer experience and live up to our slogan more than things.

The overall development in sales has been positive with a total increase in revenue of 2.8% compared to the previous year (3.7% FX neutral). Development is driven by our strategic growth areas which comprises Services, Digital commerce, B2B, Smart home and Kitchen, which in total have a double digit growth.

3. GENERAL ACCOUNTING PRINCIPLES

Basis of preparation.

The consolidated financial statements have been prepared on a going concern basis in accordance with IFRS as adopted by the EU. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS).

The financial statements have been presented in NOK, the functional currency of the Company, and on the historical cost basis except for the revaluation of certain financial instruments, as explained in these consolidated financial statements. All amounts have been rounded to the nearest NOK 1 million, unless otherwise stated.

The Group has adopted IFRS 15: 'Revenue from Contracts with Customers' and IFRS 9: 'Financial Instruments: Recognition and Measurement' effective for the current financial year from 1 May 2018.
Both standards have been applied using the modified retrospective approach and therefore comparative amounts have not been restated. The transitional impact has no effect on balance sheet, and the Group has not recognised impacts in opening reserves. Further details on the adoption of these standards is described in note 28.

Accounting convention and basis of consolidation. The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and has the ability to use its power to affect its returns.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal as appropriate, which is the date from which the power to control passes. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intercompany transactions and balances are eliminated on consolidation.

Foreign currency translation and transactions. Material transactions in foreign currencies are hedged using forward purchases or sales of the relevant currencies and are recognised in the financial statements at the exchange rates thus obtained. Unhedged transactions are recorded at the exchange rate on the date of the transaction. Material monetary assets and liabilities denominated in foreign currencies are hedged, mainly using forward foreign exchange contracts to create matching liabilities and assets, and are retranslated at each balance sheet date. Hedge accounting as defined by IFRS 9 'Financial Instruments' has been applied by marking to market the relevant financial instruments at the balance sheet date and recognising the gain or loss in reserves in respect of cash flow hedges, and through profit or loss in respect of fair value hedges. All hedge relationships previously designated under IAS 39 at 1 May 2018 have met the criteria for hedge accounting under IFRS 9, as such there is no effect on balance sheet on transition. Further information is outlined in note 28.

The results of Nordic operations are translated each month at the monthly rate, and their balance sheets are translated at the rates prevailing at the balance sheet date. Goodwill and acquisition intangible wassets are held in the currency of the operation to which they relate.

Exchange differences arising on the translation of net assets, goodwill and results of Nordic operations are recognised in the translation reserve. All other exchange differences are included in profit or loss in the year in which they arise except where the Group designates financial instruments held for the purpose of hedging the foreign currency exposures that result from material transactions undertaken in foreign currencies as cash flow hedges, hedge accounting as defined by IFRS 9 'Financial Instruments' is applied. The effective portion of changes in the fair value of financial instruments that are designated as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss. Amounts previously recognised in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss.

4. REVENUE

Accounting principles

The Group has adopted IFRS 15 using the modified retrospective approach of initially applying IFRS as an adjustment to the opening balance of equity at 1 May 2018. Therefore, comparative information has not been restated and continues to be reported under IAS 18.

IFRS 15 introduces a five step approach on the recognition, timing and measurement of revenue from contracts with customers contingent on the fulfilment of performance obligations.

Revenue comprises sales of goods and services excluding sales taxes. The majority of Group sales are for goods sold in store and online, where there is a single performance obligation and revenue is recognised at the point of sale or, where later, delivery to the end consumer. There is no impact from the adoption of IFRS 15 on these sales.

IFRS 15 introduces new requirements relating to the assessment of the contract length over which revenue is recognised, and recognition over time or at a point in time. Due to the cancellation options and customer refund clauses within the agreements, the term has been reassessed to be either monthly or a series of day to day contracts. Revenue has therefore been recognised in as each performance obligation is satisfied. The impact of these changes at 1 May 2018 has been nil.

Classification of contract liabilities

Following the implementation of IFRS 15, liabilities previously recognised as deferred income have been classified as contract liabilities.

Revenue primarily comprises sales of goods and services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it satisfies a performance obligation. The following accounting policies are applied to the principal revenue generating activities in which the Group is engaged:

- Revenue from the sales of goods is recognised at a point in time, when a Group entity has sold the product to the customer. Control of the good transfers immediately ay the point of sale (retail) or delivery (internet sales);
- Commission revenue relates to the sale of third-party network, insurance and finance products where group act as an agent. Sales commission received from third parties is recognised at point in time when they are sold, to the extent that it can be reliably measured and there are no ongoing service obligations;
- Revenue earned from the sale of customer support agreements is recognised in as each performance obligation is satisfied under the contracts with the customer. For arrangements assessed as being a series of day to day contracts revenue has been recognised as performed;
- Revenue arising on services (including delivery and installation, product repairs and product support) is recognised when the obligation to the customer is fulfilled.

Market support volume rebates and discounts received from suppliers

The Group's agreements with suppliers contain a price for units purchased as well as other rebates and discounts which are summarised below:

Volume Rebates:
This rebate is linked to purchases made from suppliers and is recognised as a reduction to cost of goods sold as inventory is sold. Earned rebates that relate to inventory not sold are recognised within the value of inventory at the period end. Where an agreement spans period ends, judgement is required regarding amounts to be recognised. Forecasts are used as well as historical data in the estimation of the level of rebates recognised. Amounts are only recognised where the Group has a clear entitlement to the receipt of the rebate and a reliable estimate can be made.

Discounts:
Discounts is received from suppliers on a price per unit basis. The level of estimation is minimal as amounts are recognised as a reduction to cost of goods sold based on the agreement terms and only once the item is sold.

Marketing support:
This is received in relation to marketing activities that are performed on behalf of suppliers. Judgement is required to ensure that marketing rebate is only recognised when all performance obligations within the contract have been fulfilled and the income is expected to be collected.

Supplier funding amounts that have been recognised and not invoiced are shown within accrued income on the balance sheet.

The Group's disaggregated revenues recognised under 'Revenue from Contracts with Customers' in accordance with IFRS 15 relates to the following operating segments and revenue streams:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Sale of goods	33 990	33 296
Commission revenue	3 001	2 742
Support service revenue	601	580
Other services revenue	847	757
Total revenue	**38 439**	**37 375**

Revenue from support services relates predominantly to customer support agreements, while other services revenue comprises delivery and installation, product repairs and product support.

Remaining performance obligations at year end is NOK 37 million (2017/2018: NOK 22 million) where NOK 6 million is due within one year (2017/2018: NOK 7 million) and NOK 29 million is due in more than one year (2017/2018: NOK 14 million).

The majority of Group sales are settled at point of sale. Sales to franchise, B2B and commission are normally settled within a 30 days range.

Revenue recognised that was included in the contract liability at the beginning of the period amounts to NOK 457 million.

5. EMPLOYEE AND OTHER PERSONNEL COSTS

Accounting policies pensions

The pension schemes of the Norwegian companies in the Group follow the requirements in the Act on Mandatory company pensions.

Company contributions to defined contribution pension schemes and contributions made to state pension schemes for certain employees are charged to the income statement on an accruals basis when employees have rendered service entitling them to the contributions.

For defined benefit pension schemes, the difference between the market value of the assets and the present value of the accrued pension liabilities is shown as an asset or liability in the consolidated balance sheet. The calculation of the present value is determined using the projected unit credit method.

Actuarial gains and losses arising from changes in actuarial assumptions together with experience adjustments and actual return on assets are recognised in the consolidated statement of comprehensive income and expense as they arise. Such amounts are not reclassified to the income statement in subsequent years.

Employee costs

The aggregate remuneration recognised in the income statement is as follows:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Salaries and performance bonuses	-3 212	-3 178
Other employee cost	-199	-227
Social security costs	-542	-541
Pension cost	-164	-158
Share based payments	55	-23
Total employee costs	**-4 061**	**-4 127**

The average number of employees was 10,045 (10,014 in 2017/2018).

The pension charge in respect of defined contribution schemes was NOK 178 million (2017/2018: NOK 152 million).

The Group's defined benefit plan provided the right to defined future benefits. These were mainly dependent on the number of years of service, the level of salary at the retirement age and the level of the government funded pension benefits. The obligations were funded through an insurance company. The schemes were terminated during the financial year and net pension liability of 17 million was released. See also note 23 Management remuneration for additional information.

6. OPERATING EXPENSES

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Operating leases of buildings, land and equipment	-990	-981
Marketing and advertising	-753	-825
Operation, maintenance and other costs of premises, vehicles etc.	-389	-364
Other operating expenses	-637	-648
Total operating expenses	**-2 768**	**-2 818**

Other operating expenses comprises IT, travel, security, warranties, stationary and supply expenses etc.

Auditor's remuneration comprises the following:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Fees payable to the company's auditor for audit of the company's annual accounts	1,2	0,4
Fees payable to the company's auditor and its associates for their audit of the company's subsidiaries	2,2	3,1
Total audit fees	3,4	3,5
Other services	0,1	0,2
Total auditor's expenses	**3,5**	**3,7**

7. OTHER ITEMS; NET CURRENCY GAINS (LOSSES) AND OTHER EXPENSES

Net currency gains (losses) are disaggregated as follows:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Foreign exchange rate gain	368	578
Foreign exchange rate loss	-412	-611
Net currency gains (losses)	**-44**	**-33**

Other expenses include the following non-recurring expenses:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Rebranding	-	99
Restructuring	-	21
Other	-	7
Other expenses	**0**	**127**

Current year the Group has no transformation or restructuring costs. Transformation costs of NOK 127 million in last financial year relate primarily to restructuring and rebranding of Lefdal to Elkjøp in Norway of NOK 99 million, together with downsizing workshop capacity, business restructuring of customer care centre and one shared finance function. The expenses are primary related to rebranding, rent and redundancy.

8. NET FINANCE COSTS

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Interest income from cash pool	11	13
Gain on sale of shares	0	1
Finance income	**11**	**14**
Interest expense on cash pool	-44	-20
Other interest expense	-6	-5
Finance cost	**-50**	**-26**
Total net finance costs	**-39**	**-12**

9. TAX

Accounting policy

Current tax

Current tax, is provided at amounts expected to be paid or recovered using the prevailing tax rates and laws that have been enacted or substantially enacted by the balance sheet date and adjusted for any tax payable in respect of previous years.

Deferred tax

Deferred tax liabilities are recognised for all temporary differences between the carrying amount of an asset or liability in the balance sheet and the tax base value and represent tax payable in future periods. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. No provision is made for tax which would have been payable on the distribution of retained profits of subsidiaries where it has been determined that these profits will not be distributed in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Current and deferred tax is recognised in the income statement except where it relates to an item recognised directly in other comprehensive income or reserves, in which case it is recognised directly in other comprehensive income or reserves as appropriate.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are offset against each other when they relate to income taxes levied by the same tax jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis. Deferred tax balances are not discounted.

Tax expense
The corporation tax charge comprises:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Current tax		
Current tax on profits for the year	155	139
Tax effect on group contribution distributed (Norway)	55	69
Deferred tax income		
Decrease/(increase) in deferred tax assets	29	14
(Decrease)/increase in deferred tax liabilities	15	31
Deferred tax on equity items	19	-24
Total income tax expense	**274**	**229**

The group gives group contribution to holding company DSG Retail Norway AS.

Reconciliation of standard to actual (effective) tax rate
The principal differences between the total tax charge shown above and the amount calculated by applying the standard rate of the Norwegian corporation tax to profit /(loss) before taxation are as follows:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Net income/loss before tax	1 296	972
Expected income tax assessed at the tax rate for the Parent company 23% (24%)	285	223
Adjusted for tax effect of the following items:		
Permanent differences	3	3
Effect of change in tax rate	2	2
Prior year adjustment	-	-
Effect from currency effects and other items	-16	(0)
Total income tax expense for operations	**274**	**229**
Effective income tax rate	21,1 %	23,6 %

The effective tax rate on profit before tax of 21.1% (2017/2018: 23.6%) has decreased due to changes in statutory tax rates in the Group and a prior year adjustment.

Deferred tax
Specification of tax effects of temporary differences

NOK in million	30 April 2019	30 April 2018
Intangible assets	-178	-181
Tangible assets	-19	26
Swedish P-funds	-37	-30
Pensions	9	6
Other temporary differences	68	66
Tax losses carried forward (Sweden)	25	25
Total deferred tax liability	**-132**	**-88**
Whereof:		
Presented as deferred tax asset	18	47
Presented as deferred tax liability	-150	-135
Deferred tax asset (+) / liability (-)	**-132**	**-88**

Movements in deferred tax:

NOK in million	30 April 2019	30 April 2018
Carrying amount net deferred tax assets (+)/liabilities(-) at 1 May	-88	-39
Recognised as income/ expense (-) in income statement	-44	-45
Effect from currency effects and other items	0	-3
Carrying amount net deferred tax assets (+)/liabilities(-) at 30 April	**-132**	**-88**

Analysis of deferred tax relating to items (charged)/ credited to other comprehensive income in the period:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Derivatives	18	25
Pension	1	-1
Total	**19**	**24**

10. GOODWILL
Accounting policies

On acquisition of a subsidiary or associate, the fair value of the consideration is allocated between the identifiable net tangible and intangible assets and liabilities on a fair value basis, with any excess consideration representing goodwill. At the acquisition date, goodwill is allocated to each group of Cash Generating Units ('CGUs') expected to benefit from the combination and held in the currency of the operations to which the goodwill relates.

Goodwill is not amortised, but is reviewed annually for impairment, or more frequently where there is an indication that goodwill may be impaired. Impairment is assessed by measuring the future cash flows of the group of CGUs to which the goodwill relates, at the level at which this is monitored by management. Where the future discounted cash flows are less than the carrying value of goodwill, an impairment charge is recognised in the income statement.

On disposal of subsidiary undertakings and businesses, the relevant goodwill is included in the calculation of the profit or loss on disposal.

Changes in goodwill during the year:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
At beginning of period	1 082	1 064
Additions	-	0
Foreign exchange	1	18
At the end of the period	**1 083**	**1 082**

Carrying value of goodwill

The components of goodwill comprise the following businesses:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Norway	461	461
Sweden	12	12
Denmark	573	572
Finland	38	38
Total	**1 083**	**1 082**

Goodwill impairment testing

As required by IAS 36, goodwill is subject to annual impairment reviews. These reviews are carried out using the following criteria:

- business acquisitions generate an attributed amount of goodwill;
- the manner in which these businesses are run and managed is used to determine the CGU grouping as defined in IAS 36 'Impairment of Assets';
- the recoverable amount of each CGU group is determined based on calculating its value in use ('VIU');
- the VIU is calculated by applying discounted cash flow modelling to management's own projections covering a five-year period;
- cash flows beyond the five-year period are extrapolated using a long-term growth rate equivalent to long-term forecasts of Gross Domestic Product ('GDP') growth rates for the relevant market;
- and the VIU is then compared to the carrying amount in order to determine whether impairment has occurred.

The key assumptions used in calculating value in use are:

- management's projections;
- the growth rate beyond five years; and
- the pre-tax discount rate.

The long term projections are based on a five-year strategic plan. These projections have regard to the relative performance of competitors and knowledge of the current market together with management's views on the future achievable growth in market share and impact of the committed initiatives.
The cash flows which derive from these five-year projections include ongoing capital expenditure required to develop and upgrade the store network and systems in order to maintain and operate the businesses and to compete in their markets.
In forming the five-year projections, management draws on past experience as a measure to forecast future performance.

Key assumptions used in determining the five-year projections comprise the growth in sales and costs over this period. The compound annual growth rate in sales and costs can rise as well as fall year-on-year depending not only on the year five targets, but also on the current financial year base. These targets, when combined, accordingly drive the resulting profit margins and the profit in year five of the projections which is in turn used to calculate the terminal value in the VIU calculation. Historical amounts for the businesses under impairment review as well as from other parts of the Group are used to generate the values attributed to these assumptions.

The value attributed to these assumptions for the most significant components of goodwill are as follows:

				30 April 2019				30 April 2018
	Compound annual growth in sales	Compound annual growth in costs	Growth rate beyond five years	Pre-tax rate	Compound annual growth in sales	Compound annual growth in costs	Growth rate beyond five years	Pre-tax rate
Norway	3.2 %	3.2 %	1.7 %	9.4 %	1.9 %	1.9 %	1.7 %	8.6 %
Sweden	2.6 %	2.6 %	1.7 %	9.4 %	2.7 %	2.7 %	1.7 %	8.6 %
Denmark	2.6 %	2.6 %	1.7 %	9.4 %	2.2 %	2.2 %	1.7 %	8.6 %
Finland	2.4 %	2.4 %	1.7 %	9.4 %	2.6 %	2.6 %	1.7 %	8.6 %

Growth rates used were determined based on third-party long-term growth rate forecasts and are based on the GDP growth rate for the territories in which the businesses operate. The pre-tax discount rates applied to the forecast cash flows reflect current market assessments of the time value of money and the risks specific to the CGUs.

Goodwill impairment sensitivity analysis

A sensitivity analysis has been performed on each of the base case assumptions used for assessing the goodwill with other variables held constant. Consideration of sensitivities to key assumptions can evolve from one financial year to the next. The directors have concluded that there are no reasonably possible changes in key assumptions which would cause the carrying amount of goodwill to exceed its value in use.

11. INTANGIBLE ASSETS

Accounting principles

Intangible assets are mainly software and licences and include costs incurred to acquire the assets as well as internal infrastructure and design costs incurred in the development of software in order to bring the assets into use.

Internally generated software is recognised as an intangible asset only if it can be separately identified, it is probable that the asset will generate future economic benefits which exceed one year, and the development cost can be measured reliably. Where these conditions are not met, development expenditure is recognised as an expense in the year in which it is incurred. Costs associated with developing or maintaining computer software are recognised as an expense as incurred unless they increase the future economic benefits of the asset, in which case they are capitalised.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Software is stated at cost less accumulated amortisation and, where appropriate, provision for impairment in value or estimated loss on disposal.

Amortisation is provided to write off the cost of assets on a straight-line basis between three and five years, and is recorded in administrative expenses.

Intangible assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the net book value is not supportable. Where assets are to be taken out of use, an impairment charge is levied. Where the intangible assets form part of a separate CGU, such as a store or business unit, and business indicators exist which could lead to the conclusions that the net book value is not supportable, the recoverable amount of the CGU is determined by calculating its value in use.

The value in use is calculated by applying discounted cash flow modelling to management's projection of future profitability and any impairment is determined by comparing the net book value with the value in use.

NOK in million	30 April 2019	30 April 2018
	Software and licences	Software and licences
Balance at beginning of the year	379	359
Additions	234	197
Amortisation	-203	-177
Disposal	-0	-0
Balance at end of the year	**410**	**379**
Cost	1 199	1 058
Accumulated amortisation	-789	-678
Balance at end of the year	**410**	**379**
Amortisation period	3-7 years	3-7 years

Software and licences include assets with a cost of NOK 109 million in 2018/2019 (NOK zero million in 2017/2018) on which amortisation has not been charged as the assets have not yet been brought into use.

12. PROPERTY, PLANT & EQUIPMENT

Accounting policies

Property, plant & equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. With the exception of land, depreciation is provided to write off the cost of the assets over their expected useful lives from the date the asset was brought into use or capable of being used on a straight-line basis.

Property, plant & equipment are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the net book value is not supportable.

Where assets are to be taken out of use, an impairment charge is levied. Where the property, plant & equipment form part of a separate CGU, such as a store or group of stores, and business indicators exist which could lead to the conclusions that the net book value is not supportable, the recoverable amount of the CGU is determined by calculating its value in use. The value in use is calculated by applying discounted cash flow modelling to management's projection of future profitability and any impairment is determined by comparing the net book value with the value in use.

NOK in million			30 April 2019			30 April 2018
	Land and buildings	Fixtures, fittings and other equipment	Total	Land and buildings	Fixtures, fittings and other equipment	Total
Balance at beginning of the year	-	844	844	18	858	876
Additions		354	354		300	300
Amortisation		-278	-278		-281	-281
Disposal	-	-19	-19		-34	-34
Foreign exchange	-	-1	-1	-	-17	-17
Balance at end of the year	**-**	**901**	**901**	**18**	**826**	**844**
Cost	0	2 676	2 676	0	2 543	2 544
Accumulated amortisation	-0	-1 775	-1 776	-0	-1 699	-1 700
Balance at end of the year	**-**	**901**	**901**	**0**	**844**	**844**
Depreciation period	50/indefinite	3-10 years		50/indefinite	3-10 years	

For the year ended 30 April 2019 the Group had a capital commitment of NOK 23 million related to its investments.

13. INVENTORY

Accounting policies

Inventories are stated at the lower of cost and net realisable value, and on a weighted average cost basis. Cost comprises direct purchase cost and those overheads that have been incurred in bringing the inventories to their present location and condition less any attributable discounts and bonuses received from suppliers in respect of that inventory. Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Finished goods and goods for resale	5 002	4 574

14. TRADE AND OTHER RECEIVABLES

Accounting principles

Financial assets are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the investment. The Group's financial assets comprise cash and cash equivalents, receivables which involve a contractual right to receive cash from external parties.

When the Group recognises a financial asset, it classifies it in accordance with IFRS 9. Cash and cash equivalents and trade and other receivables (excluding derivative financial assets) are classified as held at amortised cost.

All of the Group's assets are subject to impairments driven by the expected credit loss (ECL). For the Group's trade and other receivables in the Nordics, it has adopted the simplified approach to calculating expected credit losses allowed by IFRS 9. Historical credit loss rates are applied consistently to groups of financial assets with similar risk characteristics. These are then adjusted for known changes in, or any forward-looking impacts on creditworthiness.

The Group reviews several factors when considering a significant increase in credit risk including but not limited to: Credit rating changes; Adverse changes in general economic and/or market conditions; material changes in the operating results or financial position of the debtor.

Indicators that an asset is credit-impaired would include observable data in relation to the financial health of the debtor: Significant financial difficulty of the issuer or the debtor; the debtor breaches contract; it is probable that the debtor will enter bankruptcy or financial reorganisation.

Most groups of receivables have immaterial levels of credit risk. For material concentrations of credit risk, the asset type and notional is set out below:

NOK in million	Year ended 30 April 2019
Business to business	301
Franchise debtors	317

The weighted average loss rates and write offs are as follows:

NOK in million			Year ended 30 April 2019
	Gross amounts recognised financial assets	**Weighted Average loss rate**	**Expected credit losses**
Not yet due	477	0,7%	3
0-90 days	110	2,1%	2
91-180 days	14	89,2%	9
180 + days	16	92,8%	15
Total	**617**		**30**

The Group will derecognise a financial asset when the contractual rights to the cash flows expire or the Group transfer the financial asset in a way that qualifies for derecognition in accordance with IFRS 9.

Specification of trade and other receivables:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Trade receivables	961	876
Expected credit loss	-30	-24
Prepayments	254	216
Other receivables	766	385
Accrued income	292	300
Total	**2 243**	**1 753**

Non current	75	88
Current	2 168	1 665
Total	**2 243**	**1 753**

The majority of trade and other receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value. Where a provision has been recognised in respect of expected credit losses on a receivable balance, the full amount of the receivable has been provided for.

NOK in million		30 April 2019			30 April 2018	
	Gross trade receivables	Provision	Net trade receivables	Gross trade receivables	Provision	Net trade receivables
Ageing of gross trade receivables and provisions:						
Not yet due	800	-3	800	928	0	928
Past due:						
Under two months	103	-2	101	106	-3	103
Two to four months	11	-7	7	33	-5	28
Over four months	46	-18	22	52	-17	35
Total	**961**	**-30**	**931**	**1 119**	**-24**	**1 094**

Movements in the provision for impairment of trade receivables is as follows:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Opening balance	**-24**	**-26**
IFRS 9 Opening adjustment	0	0
Charged to the income statement	-19	-10
Receivables written off as not recoverable	14	12
Closing balance	**-30**	**-24**

The timing of revenue recognition, billings and cash collection results in trade receivables (billed amounts) and customer advances and deposits (contract liabilities) on the Group's balance sheet.
For services in which revenue is earned over time, prepayment of service is classified as a contract liability. See note 4 for further details regarding timing and revenue recognition.

15. CASH POOL

The Group is a part of its parent, Dixons Carphone plc, cash pool arrangement. The cash pool agreements are a balancing netting cash pool. All entities in the Group have individual agreements with Dixons Carphone plc, whereby Dixons Carphone plc have the head account against the bank.

The presentation at gross amounts, as each entities net position cannot be offset against another entity's net position in the Group.

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Cash pool receivable	610	1 497
Cash pool liability	-76	-204
Net balance	**533**	**1 292**

16. TRADE AND OTHER PAYABLES

Accounting principles

Trade and other payables (excluding derivative financial liabilities) are initially recorded at fair value and subsequently measured at amortised cost. Gains and losses arising from revaluation at the balance sheet date are recognised in the income statement unless the derivatives are designated as hedges and such hedges are proved to be effective.

Where the Group has right of offset in relation to trade and other receivables and payables under IAS 32, these are presented on a net basis.

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Trade payables	-4 319	-4 048
Other taxes and social security	-833	-596
Contract liabilities	-551	-471
Other current payables	-431	-404
Accruals	-532	-756
Total	**-6 667**	**-6 276**

The carrying amount of trade and other payables approximates their fair value.

17. DEFERRED AND CONTINGENT CONSIDERATION

The deferred and contingent considerations total carrying amount is NOK 54 million (2017/2018: NOK 66 million). Of which NOK 17 million is first year instalment and classified as current liability (2017/2018: NOK 17 million). The remaining NOK 37 million (2017/2018: NOK 49 million) is classified as non-current liability.

Earn-out consideration of up to NOK 54 million is payable in cash (2017/2018: NOK 66 million) and is contingent on the performance of The Epoq kitchen business against earnings growth targets over a period of up to three years from the balance sheet date.

The fair value of contingent consideration arrangements has been estimated by applying the income approach. A reduction in growth assumptions used in the fair value methodology would result in a reduction in the amount of contingent consideration payable.

18. PROVISIONS

Accounting principles

Provisions are recognised when a legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted where the time value of money is considered to be material.

All provisions are assessed by reference to the best available information at the balance sheet date.

NOK in million	Year ended 30 April 2019					Year ended 30 April 2018				
	Reorganisation	Sales	Property	Share options	Total	Reorganisation	Sales	Property	Share options	Total
At beginning of period	93	43	9	83	228	24	39	27	64	153
Additions	-	98	19	27	143	115	78	29	20	242
Released in the period	-	-	-	-82	-82	-	-	-	-	-
Utilised in the period	-55	-94	-24	-	-174	-46	-74	-47	-	-167
At end of period	**37**	**47**	**4**	**28**	**115**	**93**	**43**	**9**	**83**	**228**
Analysed as:										
Current	15	31	3	-	49	-	43	9	83	135
Non-current	22	16	-	28	66	93	-	-	-	93
Total	**37**	**47**	**3**	**28**	**115**	**93**	**43**	**9**	**83**	**228**

Reorganisation provisions relate principally to redundancy costs and other onerous contracts arising as a result of reorganisation, and are only recognised where plans are demonstrably committed and where appropriate communication to those affected has been undertaken at the balance sheet date.

Sales provisions relate to product warranties. The anticipated costs of these items are assessed by reference to historical trends and any other information that is considered to be relevant.

Property provisions relate mainly to costs associated with operating lease early exit premiums, onerous leases and provisions for dilapidations. Share option provision relates to The Groups participation in

Dixons Carphone plc's sharebased arrangements and provision is based on fair value of options using a Monte Carlo model.

Non-current provisions are expected to be utilised over a period up to five years.

19. ADDITIONAL EQUITY INFORMATION

Paid in capital

NOK million	Numer of shares	Share capital	Other paid in capital	Total Paid in capital
At 1 May 2017	35 800 050	72	107	179
At 30 April 2018	35 800 050	72	107	179
At 30 April 2019	**35 800 050**	**72**	**107**	**179**

There are no changes in the periods presented. The share capital is fully paid. Par value of the shares is NOK 2.

Other reserves

NOK in million	Translation reserve	Pension remeasurement reserve	Cash flow hedge reserve	Taxes on pension remeasurement reserve	Taxes on cash flow hedge reserve	Total Other reserves
At 1 May 2017	-	-3	57	1	-12	44
Changes during the year	10	-6	214	1	-49	170
Recycled to profit and loss from comprehensive Income			-104		24	-80
At 30 April 2018	**10**	**-9**	**167**	**2**	**-37**	**134**
Changes during the year	-11	-6	-15	1	3	-28
Recycled to profit and loss from comprehensive Income			-68		15	-54
At 30 April 2019	**-2**	**-15**	**83**	**4**	**-19**	**52**

Translation reserve
This reserve relates to currency translation for entities within the Group that have a different functional currency than NOK.

Pension re-measurement reserve and taxes on pension remeasurements reserve
These reserves includes the effect of re-measurement of pension obligation arising due to change in assumptions, such as discount rate and long term demographic trends and the related tax effect.

Cash flow hedge reserve and taxes on cash flow hedge reserve.
These reserves relates to cash flow hedges measured at fair value through Other comprehensive income until recycling, including its tax effects, see also note 21.

A Group contribution to holding company DSG Retail Norway of NOK 250 million is proposed but had not been effected at 30 April 2019 and is subject to shareholders' approval at the forthcoming Annual General Meeting.

20. FINANCIAL RISK MANAGEMENT

Financial instruments that are measured at fair value in the financial statements require disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

- **Level 1** quoted prices (unadjusted) in active markets for identical assets and liabilities;
- **Level 2** inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and
- **Level 3** inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Contingent consideration is categorised as level 3 in the fair value hierarchy as the valuation requires the use of significant unobservable inputs. An explanation of the valuation methodologies and the inputs to the valuation model is provided in note 17.

The significant inputs required to fair value the Group's remaining financial instruments that are measured at fair value on the balance sheet, being derivative financial assets and liabilities, are observable and are classified as level 2 in the fair value hierarchy. There have also been no transfers of assets or liabilities between levels of the fair value hierarchy.

Fair values have been arrived at by discounting future cash flows (where the impact of discounting is material), assuming no early redemption, or by revaluing forward currency contracts and interest rate swaps to period end market rates as appropriate to the instrument.

The management consider that the book value of financial assets and liabilities recorded at amortised cost and their fair value are not materially different.

The fair value of the Group's financial assets, liabilities and derivative financial instruments are as follows:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
Cash Pool assets (1)	610	1 497
Cash and cash equivalents (1)	333	335
Trade and other receivables excluding derivative financial assets (1)	2 168	1 665
Derivative assets (2)	158	253
Derivative liabilities (2)	61	57
Cash Pool liabilities (1)	76	204
Trade and other liabilities (3)	6 667	6 276
Deferred and contingent consideration - current (4)	17	17
Deferred and contingent consideration - non-current (4)	37	49

(1) Financial assets measured at amortised cost
(2) Financial assets measured at fair value through profit and loss.
(3) Financial liabilities measured at amortised cost.
(4) Financial liabilities measured at fair value through profit and loss.

For trade receivables, cash pool receivables and other current receivables, trade and other payables the carrying amount is assessed to be a reasonable approximation of fair value. The effect of not discounting is considered to be immaterial for this class of financial instruments.

Financial risk management policies

The Group's activities expose it to certain financial risks including market risk (such as foreign exchange risk and interest rate risk), credit risk and liquidity risk. The parent company Dixons Carphone plc's treasury function, which operates treasury policies approved by the Dixons Carphone plc Board, uses certain financial instruments to mitigate potentially adverse effects on the Dixons Carphone plc's financial performance from these risks. These financial instruments consist of bank loans and deposits, spot and forward foreign exchange contracts, foreign exchange swaps and interest rate swaps. The Group only participate in the cash pools facilitated by Dixons Carphone plc.

Throughout the period under review, in accordance with Group policy, no speculative use of derivatives, foreign exchange or other instruments was permitted. No contracts with embedded derivatives have been identified and, accordingly, no such derivatives have been accounted for separately.

See note 21 for information about derivatives.

Foreign exchange risk

For the Group, the foreign exchange risk exposure is in the Norwegian parent Elkjøp Nordic AS.

Elkjøp Nordic AS undertakes certain purchase transactions that are denominated in foreign currencies and as a consequence has exposure to exchange rate fluctuations. These exposures arise from inventory purchases, where most of the Group's exposure being to Euro and Swedish Krone fluctuations. Further, the Group's revenue is exposed to fluctuation in Swedish Krone, Danish Krone and Euro. The Group uses spot and forward currency contracts to mitigate these exposures, with such contracts designed to cover exposures ranging from one month to one year.

Monetary assets and liabilities and foreign exchange contracts are sensitive to movements in foreign exchange rates. This sensitivity can be analysed in comparison to year end rates (assuming all other variables remain constant) as follows:

NOK in million	Year ended 30 April 2019	Year ended 30 April 2018
	Effect on Profit and Loss	Effect on Profit and Loss
+/-10% movement in the US dollar exchange rate	20	16
+/-10% movement in the Euro exchange rate	329	316
+/-10% movement in the Swedish Krona exchange rate	32	32
+/-10% movement in the Danish Krona exchange rate	32	39

Interest rate risk

The Group's interest rate risk arises primarily on cashpool receivables and payables, all of which are at floating rates of interest and which therefore expose the Group to cash flow interest rate risk. These floating rates used in cashpool are linked to NIBOR (NOK), LIBOR (USD), STIBOR (SEK), EURIBOR (EUR), CIBOR DKK), DRI/DRU (CZK) and other interest rate bases as appropriate to the instrument and currency.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages its exposure to liquidity risk by reviewing regularly the long term and short term cash flow projections for the business against the resources available to it.

In order to ensure that sufficient funds are available for ongoing and future developments, the Group is part of parent company Dixons Carphone plc that has committed bank facilities, excluding overdrafts repayable on demand, totalling £1,050 million (2018: £1,050 million). The Group only have an indirect risk as part of parent company's cash pool.

All receivables and payables within the Group are current and expected to be settled within 1 year at latest. There are no monetary long-term assets or liabilities, except for the earn-out agreement related to Epoq, see note 17.

Credit risk
Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations, and arises principally from the Group's receivables from consumers. The Group's exposure to credit risk is regularly monitored and the Group's policy is updated as appropriate.

On the 1 May 2018 the Group adopted IFRS 9 and the associated Expected Credit Loss (ECL) model. For details of transition and adoption please refer to note 28 and 14.

The Group's trade receivables also include balances due from sale to franchise, business to business consumers and consumer credit receivables. Provision is made for any receivables that are considered to be irrecoverable. Details of trade receivables which are past due but not impaired are provided in note 14.

The credit risks on cash and cash equivalents and derivative financial instruments are closely monitored and credit ratings are used in determining maximum counterparty credit risk.

The Group's funding, through Dixons Carphone plc's cash pool facility, is reliant on its £1,050 million bank facilities, which are provided by nine banks; these institutions are considered to be adequately capitalised to continue to meet their obligations under the facility.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Capital management
The Group manages its capital to ensure that all group entities have sufficient working capital and liquidity to meet all operational needs. Capital is defined by management as the sources of funding for the group. Capital is managed through the cash pool bank accounts, cash and cash equivalents balances and group contributions. The group does not have any external long-term borrowings. The treasury department of the UK parent company (Dixons Carphone plc) manages and administers the cash pool.

21. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITY

Accounting principles

Hedge accounting
The Group has elected to adopt the IFRS 9 model on its existing hedges at implementation date and for all hedging going forward. All hedge relationships previously designated under IAS 39 at 30 April 2018 have met the criteria for hedge accounting under IFRS 9 on 30 April 2018. The Group now only applies a forward-looking approach to assessing its hedge effectiveness and monitors to ensure that credit risk does not dominate its hedge relationships.

The Group uses derivative financial instruments to protect from volatility in foreign exchange rates on its foreign currency stock purchases/sales and interest rate fluctuations on its floating rate debt.
The Group uses the derivatives to hedge highly probable forecast transactions and with the purpose of fixing floating rate debt and therefore the instruments all hedges are designated as cash flow hedges.

Derivatives are recognised at fair value at inception and are subsequently measured at fair value until maturity. The effective element of any gain or loss from the revaluation of the hedging instrument is recognised in the Group's hedging reserves.

The cumulative gain or loss related to hedging instruments is recycled from the Group Statement of Changes in Equity into the Group's Income Statement during the period at which the hedged item impacts the Group's Income Statement. Any ineffectiveness is recognised immediately in the Group Income Statement within financing costs. For hedges of forecast inventory payments, the amounts accumulated in the cash flow hedge reserve are recycled directly in the initial cost of the inventory item (a non-financial asset) at the point inventory is recognised.

The Group does not enter derivative financial instruments for trading purposes.

At inception the relationship between the hedging instrument and the hedged item is documented, as is an assessment of the effectiveness of the derivative instrument used in the hedging transaction in offsetting changes in the cash flow of the hedged item. This effectiveness assessment is repeated on an ongoing basis during the life of the hedging instrument to ensure that the instrument remains an effective hedge of the transaction.

1. Derivatives classified as cash flow hedges: the effective portion of changes in the fair value is recognised in other comprehensive income. Any gain or loss relating to the ineffective portion is recognised immediately in the income statement in sales or cost of sales, to match the hedged transaction. Amounts recognised in other comprehensive income are recycled to the income statement in the period when the hedged item will affect profit or loss. If the hedging instrument expires or is sold, or no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income, and is recognised when the forecast transaction is ultimately recognised in the income statement. If the forecast transaction is no longer expected to occur, the cumulative gain or loss in other comprehensive income is immediately transferred to the income statement.

2. Derivatives that do not qualify for hedge accounting: these are classified at fair value through profit or loss. All changes in fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

The principles under which hedge accounting is now governed is in accordance with IFRS 9, this is further stipulated in note 28.

Derivative financial instruments with their notional values and the fair value measured in NOK:

			30 April 2019			**30 April 2018**
Designated	**Notional values**			**Notional values**		
Currency million	**Buy**	**Sale**	**Fair Value in NOK**	**Buy**	**Sale**	**Fair Value in NOK**
DKK (31.05.19 - 06.04.20)	-	1 431	7	-	1 489	-7
EUR (31.05.19 - 07.04.20)	1 283	-	-23	625	-	18
SEK (31.05.19 - 02.04.20)	-	3 236	77	-	3 196	153
USD (31.05.19 - 02.04.20)	96	-	23	122	-	3
			84			**167**

Not designated	30 April 2019			30 April 2018		
	Notional values			Notional values		
Currency million	Buy	Sale	Fair Value in NOK	Buy	Sale	Fair Value in NOK
DKK (08.05.19 - 30.05.19)	-	401	0	-	142	-2
EUR (06.05.19 - 31.07.19)	-324	-	-0	228	-	15
SEK (01.05.19 - 30.05.19)	-	979	7	-	256	16
USD (06.05.19 - 31.07.19)	27	-	7	22	-	0
			14			**29**

22. NOTES TO THE CASH FLOW STATEMENT

Accounting principles

Cash on hand includes petty cash balances held in branches together with any amounts held in overnight safes. Any amounts of cash which have been received from customers but which have not yet been deposited with banks are still included as cash. This includes amounts, which are no longer on Group premises, but have not yet reached the banks (i.e. amounts in transit). In relation to credit cards, a debtor may often exist with the credit card companies for payment against the transactions processed. Where, the expected payment is within a reasonable timeframe, such amounts are presented in the balance sheet as cash.

23. MANAGEMENT REMUNERATION

Compensation earned by key management is as follows:

Year ended 30 April 2019:

NOK 1 000	Salary, bonus and other short-term benefits	Pensions	Other-long term benefits	Share options	Share options: Issued	Share options: Expired	Share options: Closing balance
Total key management compensation	25 871	1 809	0	0	1 233 412	1 619 761	974 051
Jaan Ivar Semlitch (CEO)	4 943	631	0	0	848 685	1 232 761	0

Year ended 30 April 2018:

NOK 1 000	Salary, bonus and other short-term benefits	Pensions	Other-long term benefits	Share options	Share options: Issued	Share options: Expired	Share options: Closing balance
Total key management compensation	21 067	753	1 189	3 797	384 072	0	1 360 400
Jaan Ivar Semlitch (CEO)	8 610	259	0	3 797	215 410	0	384 076

Key management are:

	Per 30 April 2019	Per 30 April 2018
Jaan Ivar Semlitsch	x	x
Erik Gunset Sønsterud	x	x
Marianne Nøkleby	x	x
Per Erik Wernersson	x	x
Åshild Indresøvde	x	x
Stein Riibe	x	x

Board members are:

	Per 30 April 2019	Per 30 April 2018
Jonathan Peter Mason	x	
Humphrey Singer		x
Jaan Ivar Semlitsch	x	x
Marianne Nøkleby	x	x
Erik Gunset Sønsterud	x	x
Per Erik Wernersson	x	x

The Board members are employed by the Group or by its owners and are not receiving any fees for the Board assignment. CEO left the Group in June 2019 and on that basis, all share options granted to CEO is threated as expired.

SHARE-BASED PAYMENTS

Accounting policies

The Group participates in Dixons Carphone plc's sharebased payments arrangements.
The arrangements are connected to Dixons Carphone plc's shares and accordingly recognised as a cash settled share-based payment in the Group's financial statements. The fair value of options was estimated using a Monte Carlo model.

The Group management participates in the following plans:

- A shareplan introduced during the year ended 29 March 2014, which allowed participants to share 10% of the incremental value created in the Group in excess of an opening value and beyond an annual rate of return of 7% on invested capital. The plan was underpinned by a minimum annual compound TSR growth of 5% and outperformance of the median TSR of the FTSE 250. The share options expired without any value after 30 April 2018 and options were not exercised.
- Annual shareplan, which allows nil-priced options to be offered to management and senior employees. Options were first granted under the scheme in January 2014. The options are subject to continuing employment and certain awards are subject to performance conditions.

In February 2019, the Colleague Shareholder Award was launched. This granted every permanent colleague with 12 months service at least £ 1 000 of options which will vest after three years. These awards are not subject to performance conditions.

24. RELATED PARTY TRANSACTIONS

Transactions between the Group's subsidiary undertakings, which are related parties, have been eliminated on consolidation and accordingly are not disclosed. See note 5 (a) for details of related party transactions with key management personnel.
The Group is 100 % owned by Dixons Carphone plc.

The Group had the following transactions and balances:

Transactions	Counterpart	Year ended 30 April 2019 NOK million	Year ended 30 April 2018 NOK million
Purchases of goods from parent companies	DSG Retail Ltd	995	736
Shared service center	Dixons Carphone CoE s.r.o.	55	55
Interests income	Dixons Carphone plc	11	12
Interests expense	Dixons Carphone plc	13	20
Group contribution	Dixons Stores Group Retail Norway AS	231	542

Balances	Counterpart	Year ended 30 April 2019 NOK million	Year ended 30 April 2018 NOK million
Receivable	DSG Retail Ltd	89	22
Cashpool receivable	Dixons Carphone plc	610	1 497
Receivable	Dixons Carphone plc	-	8
Amounts receivable to Dixons		**699**	**1 527**
Cashpool payable	Dixons Carphone plc	-76	-204
Payable	Dixons Retail SSC s.r.o.	-5	-5
Payable	Dixons Carphone Holdings Limited	-8	-
Payable	DSG Retail Ltd	-73	-
Amounts owed to Dixons		**-163**	**-209**

All transactions entered into with related parties were completed on an arm's length basis.

25. SUBSIDIARIES

The Group consist of the following subsidiaries, all consolidated:

Subisidiaries	Place of incorporation	Ownership share
Elkjøp Norge AS	Oslo, Norway	100 %
Elgiganten AB	Kista, Sweden	100 %
Elgiganten Logistik AB	Jønkøping, Sweden	100 %
Elgiganten AS	Glostrup, Denmark	100 %
Gigantti OY	Tammisto, Finland	100 %
CCC Nordic AS	Copenhagen, Denmark	100 %
Infocare Workshop AS	Kongsvinger, Norway	100 %
Infocare CS AB	Växjö, Sweden	100 %
Infocare Workshop OY	Vantaa, Finland	100 %
Epoq Logistics DC k.s.	Modrice, Czech Republic	99 %

26. OPERATING LEASE ARRANGEMENTS

Accounting policies

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
The determination of the classification of property leases is made by reference to the land and buildings elements separately. All leases not classified as finance leases are classified as operating leases.
The Group have no finance lease.

The Group as a lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as a lessee

Rental payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.
Benefits received and receivable as an incentive to enter into operating leases are amortised through the income statement over the period of the lease.

The Group as a lessee
Total undiscounted future committed payments due are as follows:

NOK in million	30 April 2019		30 April 2018	
	Land and buildings	Other assets	Land and buildings	Other assets
Within 1 year	927	18	888	21
Between 2 and 5 years	2 629	28	2 326	21
After 5 years	1 218	1	1 084	2
Total undiscounted future committed payments due	**4 774**	**47**	**4 298**	**43**

Operating lease commitments represent rentals payable for retail, distribution and office properties, as well as vehicles, equipment and office equipment. Contingent rentals are payable on certain retail store leases based on store revenues and figures shown include only the minimum rental component.

The above figures include committed payments under onerous lease contracts for which provisions or accruals exist on the balance sheet, including those for businesses exited.

27. EVENTS AFTER THE BALANCE SHEET DATE

In the period between 30 April 2019 and the date of these financial statements, the board of directors is not aware of any matter or circumstance not otherwise dealt with in this report that has significantly affected, or may significantly affect, the operations of the Group.

28. RECENT ACCOUNTING DEVELOPMENTS

For the year ended 30 April 2019 the Group has adopted the following standards which became applicable; IFRS 15: 'Revenue from Contracts with Customers' and IFRS 9: 'Financial Instruments: Recognition and Measurement'. Both standards have been applied using the modified retrospective approach, and therefore comparative amounts have not been restated. As application of the new standards have had no effect on balance sheet in classification and measurement, no adjustment has been recognised in opening reserves as at 1 May 2018.

IFRS 9: 'FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT'

The Group has adopted IFRS 9 – 'Financial Instruments', replacing IAS 39 'Financial Instruments: Recognition and Measurement', and includes revised guidance on the classification of financial assets, impairment and hedge accounting. The Group has taken advantage of the exemption allowing it not to restate comparative information for the prior periods with respect to classification and measurement changes under IFRS 9.

Revised policies
The Group has made the following changes to accounting policies in respect of the implementation of IFRS 9:

Classification of financial assets and liabilities

IFRS 9 contains three classifications of financial assets; measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL), replacing categories of assets previously applied under IAS 39 such as held to maturity, loans and receivables and available for sale. Guidance set out by IFRS 9 states that the business model of the entity which holds the financial asset and its contractual cash flow characteristics determine how the asset is classified.

Under IAS 39, for the comparative period, trade and other receivables (excluding derivative financial assets) are recognised at fair value and subsequently held at amortised cost, less provision for impairment. An impairment would be recognised through the income statement if there was objective evidence that the Group would not be able to recover the full amount of the receivable. As at 30 April 2019, in accordance with IFRS 9, said trade and other receivables were classified as measured at amortised cost.

Impairment of financial assets

The 'incurred loss' model previously applied under IAS 39 has been replaced as at 1 May 2018 with an 'expected credit loss' (ECL) model under IFRS 9. The Group applies the simplified model to recognise lifetime expected credit losses for its trade receivables and other receivables by making an accounting policy election. The new impairment model applies to loans, leases (IAS 17), trade debtors, securities, contract assets under IFRS15, financial guarantees and loan commitments.

The application of the model has led to a change in the recognition of credit losses by bringing forward the impact of future expected credit losses, replacing the previous policy under event driven circumstances as per IAS 39. The financial assets affected by this change largely relate to franchise and the B2B receivables. The adoption of IFRS 9 did not have a significant impact on the receivable. The overall impact was less than 1 million NOK and, on that basis, not booked against opening reserves.

Hedge accounting

See note 21 for a description of principles applied in relation to implementation of IFRS 9 for hedge accounting.

IFRS 15:
'REVENUE FROM CONTRACTS WITH CUSTOMERS'

See note 4 for a description of principles applied in relation to implementation of IFRS 15 Revenue from contracts with customers.

Recent accounting developments

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for the financial year beginning 1 May 2018. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.
The Group has considered the following standards but are not deemed to be material:
Annual Improvements to IFRS Standards 2014-2016 Cycle Amendments to IAS 28 Investments in Associates and Joint Ventures.

IFRIC 22 Foreign Currency Transactions and Advance Consideration.

The following new standards, which are applicable to the Group, have been published but are not yet effective:

IFRS 16 'LEASES'
IFRS 16, which was endorsed by the EU on 9 November 2017, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 ' Leases' and the related interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Group will be 1 May 2019.

The Group has chosen the modified retrospective application of IFRS 16 in accordance with IFRS 16.C5(b).

Impact of the new definition of a lease
The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:
- the right to obtain substantially all of the economic benefits from the use of an identified asset; and
- the right to direct the use of that asset.

The Group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts (whether it is a lessor or a lessee in the lease contract).
In preparation for the first time application of IFRS 16, the Group has carried out an implementation project. The project has shown elements of one material service contract that will
be accounted for as leased assets under IFRS 16 where the costs are currently accounted for as IT service fees.

Impact on Lessee Accounting
IFRS 16 will change how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.
On initial application of IFRS 16, for all leases (except as noted below), the Group will:

a. Recognise right of use assets and lease liabilities in the consolidated balance sheet, initially measured at the present value of the future lease payments;

b. Recognise depreciation of right of use assets and interest on lease liabilities in the profit or loss;

c. Cash payments in respect of operating leases currently presented within operating activities in the consolidated cash flow statement will be presented within financing activities. There will be no impact on the total cash flows.

Lease incentives (e.g. rent free period) will be recognised as part of the measurement of the right of use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight line basis.

As at 1 May 2019, the Group has non cancellable operating lease commitments of NOK 4.8 billion.

The Group has performed a review of all the Group's leasing arrangements in light of the new accounting standard. The Group estimates that the application of IFRS 16 will result in recognition of a lease liability in the region of NOK 4.6 billion and a corresponding right-of-use asset, subject to an impairment review at the date of adoption, on the balance sheet as at 1 May 2019.

The difference between the non-cancellable operating lease commitments and the liability that will be recognised on transition is due to the effect of discounting the future cashflows to recognise the present value as a liability, combined with the effect of operating leases that will be excluded from the application of IFRS 16 because the assets are individually of very low value or because the remaining lease term is less than one year.

Impact on Lessor Accounting
Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right of use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

Because of this change the Group will reclassify certain of its sublease agreements as finance leases. As required by IFRS 9, an allowance for expected credit losses will be recognised on the finance lease receivables. The leased assets will be derecognised and finance lease asset receivables recognised. This change in accounting will change the timing of recognition of the related revenue (recognised in finance income).

Certain other new accounting standards,amendments to existing accounting standards and interpretations which are in issue but not yet effective, either do not apply to the Group or are not expected to have any material impact on the Group's net results or net assets:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IAS 28 Long term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015-2017 Cycle: Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs
- Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement
- IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRIC 23 Uncertainty over Income Tax Treatments.

"ENGAGEMENT IS KEY.
WE BELIEVE THAT ENGAGED EMPLOYEES EQUALS
HAPPY CUSTOMERS EQUALS GREAT RESULTS"

ANNUAL ACCOUNTS ELKJØP NORDIC AS 2018/2019

INCOME STATEMENT

all numbers in '000

NOTE	REVENUES AND OPERATING EXPENSES	2018/2019	2017/2018
2, 16	Operating revenues	31 179 686	29 979 755
	Operating revenues	**31 179 686**	**29 979 755**
16	Cost of goods sold	28 857 038	27 984 917
3,10,19	Wages and salaries	458 467	473 012
4,5	Depreciations and amortisation	189 843	169 171
3	Other operating expenses	1 038 749	1 017 432
	Operating expenses	**30 544 097**	**29 644 532**
	Operating profit/-loss	**635 589**	**335 223**
	FINANCIAL INCOME AND EXPENSES		
6	Income from investments in subsidiaries	574 495	500 981
16	Interest received from group companies	4 770	7 365
	Interest income	0	55
17	Financial income	360 745	571 204
16	Interest paid to group companies	-6 602	-6 198
	Interest expenses	-33 635	-1 125
17	Financial expenses	-402 842	-595 291
	Net financial items	**496 932**	**476 990**
	Profit/-loss before tax	**1 132 521**	**812 213**
12	Taxes	178 778	133 086
	ANNUAL PROFIT/LOSS	**953 743**	**679 128**
	ALLOCATION		
9	Transferred to/from other equity	-141 257	-751 872
9	Dividend	900 000	1 200 000
9	Group contribution (net after tax)	195 000	231 000
	Total allocation	**953 743**	**679 128**

BALANCE SHEET AS OF 30 APRIL

all numbers in '000

NOTE	ASSETS	30.4.2019	30.04.2018
	Fixed assets		
	Intangible assets		
12	Deferred tax asset	48 325	32 314
4	Other intangible assets	376 700	335 730
	Total intangible assets	**425 025**	**368 043**
	Tangible fixed assets		
5	Machinery and equipment	6 243	3 046
5	Fixtures and fittings	14 142	16 063
	Total tangible fixed assets	**20 385**	**19 109**
	Financial non-current assets		
6	Investment in subsidiaries	1 273 231	1 273 331
	Other long term receivables	2 677	3 347
	Total financial non-current assets	**1 275 909**	**1 276 678**
	Total fixed assets	**1 721 319**	**1 663 830**
	Current assets		
7	**Inventories**	**2 076 573**	**1 967 975**
	Receivables		
	Accounts receivables	211 998	259 828
11	Receivables from group companies	2 807 101	2 603 955
18	Other receivables	519 316	677 127
	Total receivables	**3 538 416**	**3 540 909**
	Total current assets	**5 614 989**	**5 508 884**
	TOTAL ASSETS	**7 336 307**	**7 172 714**

NOTE	EQUITY AND LIABILITIES	30.04.2019	30.04.2018
	Equity		
	Paid-in capital		
8,9	Share capital	71 600	71 600
9	Share premium	106 031	106 031
9	Other paid-in capital	1 006	1 006
	Total paid-in capital	**178 637**	**178 637**
	Retained earnings		
9	Other equity	2 078 813	2 288 592
	Total retained earnings	**2 078 813**	**2 288 592**
	Total equity	**2 257 450**	**2 467 228**
	Liabilities		
	Long term obligations		
10	Pension obligations	8 933	21 503
14	Other long term obligations	54 120	65 798
	Total long term obligations	**63 054**	**87 301**
	Current liabilities		
	Accounts payable	3 938 230	3 776 944
12	Income tax payable	178 119	61 050
	Public duties payable	27 209	22 750
11	Short-term liabilities to group companies	552 821	378 778
14,18,19,20	Other short-term liabilities	319 424	378 663
	Total current liabilities	**5 015 803**	**4 618 185**
	Total liabilities	**5 078 857**	**4 705 486**
	TOTAL EQUITY AND LIABILITIES	**7 336 307**	**7 172 714**

Oslo, Norway, 29 October 2019
The Board of Directors
Elkjøp Nordic AS

Jonathan Peter Mason
Chairman of the board

Marianne Nøkleby
Member of the board

Erik Gunset Sønsterud
CEO / Member of the board

Per Erik Wernersson
Member of the board


ELKJØP
INTENS
GRAFIKKRAFT
Arozzi

NOTES TO THE ACCOUNTS 2018/2019

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Valuation and classification of assets and liabilities

Current assets and liabilities include items due for payment within one year of the acquisition date, and items related to the business cycle. Other items are classified as non-current assets / liabilities.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are valued at nominal value.

Fixed assets are carried at historical cost, but are written down to fair value if the decline in value is expected to be permanent. Long-term debt is recorded at nominal value.

Intangible assets are recorded at historical cost and are written down to fair value if the decline in value is expected to be permanent. Depreciation is calculated on a straight-line basis over the assets' estimated useful life.

Foreign currency translation and transactions

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Material transactions in foreign currencies are hedged using forward purchases or sales of the relevant currencies and are recognised in the financial statements at the exchange rates thus obtained. Unhedged transactions are recorded at the exchange rate on the date of the transaction. Hedge accounting as defined by IAS 39 'Financial Instruments: Recognition and Measurement' has been applied by marking the relevant financial instruments at the balance sheet date and recognising the gain or loss in reserves in respect of cash flow hedges, and through profit or loss in respect of fair value hedges.

Shares in subsidiaries and associates

All companies that are included as subsidiaries in Elkjøp Nordic AS is part of the consolidated financial statements of Dixons Carphone plc reporting to the London Stock Exchange.

Subsidiaries and associated companies are carried at cost. Investments are valued at acquisition cost, unless write-downs have been necessary. Investments are written down to fair value when a decline in value is expected to be permanent, and deemed necessary according to generally accepted accounting principles. Impairments are reversed when the basis for the write-down no longer exists.

Dividends and group contribution from subsidiaries are recognised in the same year as it is recognised by the subsidiary. Dividends from associates are recognised at the time of payment of dividend.

Receivables

Trade receivables and other receivables are recognised at nominal value, less the accrual for expected losses of receivables.

Bank

The company is included in the Dixons Carphone plc group cash pool. Deposits related to the group cash pool is classified as intercompany in the balance sheet.

Cost of sales and other expenses

Cost of sales and other expenses are recognised in the same period as the revenue to which they relate.

Revenue

Revenue is recognised when it is earned, i.e. when both the risk and control have been mainly transferred to the customer.

Inventories

Inventories are recognised at the lower of cost in accordance with the average cost method and net realisable value.

Product warranties and service obligations

An accrual for future warranties and service obligations related to sales is made. The accruals are presented as short term.

Pension

Elkjøp Nordic AS follows IAS 19 - Employee Benefits. The defined benefit pension liability is recognised as the present value of the benefit obligation at the balance sheet date, less fair value of plan assets. Actuarial gains and losses arising from changes in actuarial assumptions together with experience adjustments and actual return on assets are recognised in retained earnings as they arise.

Defined benefit costs recognised in the income statement comprise mainly of net interest expense or income with such interest being recognised within finance costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset taking into account any changes in the net defined benefit obligation during the year as a result of contribution or benefit payments.

Share options

Share-based payments are measured at fair value at the date of grant, and expensed on a straight line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. The Monte Carlo model is used to measure fair value, and the number of options expected to vest is recalculated at each balance sheet date, based on expectations of leavers prior to vesting. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement.

Income taxes

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax is calculated at 22 % (2017/2018 23 %) based on the temporary differences between accounting and tax values and tax losses carried forward at the end of the financial year. Taxable and deductible temporary differences that reverse or may reverse in the same period are offset.

2. SALES REVENUES (amounts in 1.000)

Per area of operation	2018/2019	2017/2018
Norway	9 959 366	9 764 779
Sweden	9 765 287	9 201 705
Denmark	6 740 089	6 439 337
Finland	4 327 359	4 159 234
Other	387 586	414 701
Total	**31 179 686**	**29 979 755**

Sales revenues consist of supply of consumer electronics and related products to the Group's operations in the Nordic region. Sales to "Other" is sale to Greenland, the Farao Island, Iceland and other countries.

3. PAYROLL COSTS, NUMBER OF EMPLOYEES, BENEFITS, LOANS TO EMPLOYEES ETC. (amounts in 1.000)

Payroll costs	2018/2019	2017/2018
Payroll	363 543	384 264
Social security tax	48 777	43 664
Pension costs (see note 10)	15 114	22 495
Other benefits	31 033	22 589
Total	**458 467**	**473 012**
Average number of employees during the year	344	300

Directors' remuneration	CEO
Payroll	4 923
Bonus	0
Pension costs	628
Other benefits	243

No compensation is paid to the Board of Directors in 2018/2019. The CEO has a bonus agreement based on individual performance and group results. The CEO and the company have a mutual agreement of 6 months period of notice. In addition, the CEO is ensured 6 months pay after termination of employment.

Auditor

Remuneration to Deloitte AS is as follows:

	2018/2019	2017/2018
Statutory audit	1 222	422
Other services	12	0

4. INTANGIBLE ASSETS (amounts in 1.000)

	Software	Sum
Cost at 1 May 2018	958 110	958 110
Additions	225 197	225 197
Disposals	89 988	89 988
Cost at 30 April 2019	1 093 319	1 093 319
Acc. amortisation at 30 April 2019	716 620	716 620
Balance at 30 April 2019	**376 700**	**376 700**
Current year amortisation	183 169	183 169
Economic life	3-7 years	

Amortisation is calculated on a straight-line basis over the assets' estimated useful life.

5. PROPERTY, PLANT AND EQUIPMENT (amounts in 1.000)

	Investments on leased premises	Transportation and machinery	Fittings and fixtures	Total
Cost at 1 May 2018	767	9 786	19 507	30 060
Additions	1 687	3 915	2 350	7 952
Disposals	0	5 721	0	5 721
Cost at 30 April 2019	**2 454**	**7 979**	**21 857**	**32 290**
Acc. depreciation at 30 April 2018	227	3 924	7 715	11 905
Balance at 30 April 2018	**2 188**	**4 055**	**14 142**	**20 385**
Current year depreciation	227	2 175	4 272	6 674
Economic life	5-10 years	3-5 years	5 years	
Depreciation method	Straight-line	Straight-line	Straight-line	
Annual lease of non-capitalized fixed assets			2 678	
Lease term			1-5 years	

6. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES (amounts in 1.000)

Subsidiaries and investments in associates are carried at cost.

Company	Registered office	Year	Voting and ownership share	Profit/loss latest financial statements (LOC)	Equity latest financial statements (LOC)	Carrying value (NOK)
Elkjøp Norge AS	Oslo	18/19	100 %	238 690	162 305	151 548
Elgiganten AB	Kista	18/19	100 %	133 673	302 913	194 940
Elgiganten Logistik AB	Jönköping	18/19	100 %	8 000	44 155	1 065
Elgiganten AS	Glostrup	18/19	100 %	89 122	272 214	687 462
Gigantti OY	Tammisto	18/19	100 %	685	17 967	111 465
CCC Nordic AS	København	18/19	100 %	5 324	28 315	-
Infocare Workshop OY	Vantaa	18/19	100 %	381	2 509	6 142
Infocare Workshop AS	Kongsvinger	18/19	100 %	3 209	37 461	32 098
Infocare CS AB	Växjö	18/19	100 %	4 360	40 927	88 511
Total						**1 273 231**

For investments where book value exceeds equity in the subsidiary or associated company, impairment has not been recognised on the basis that fair value is assessed higher than book value.

Income from investments in subsudiaries relates to group contribution from Elkjøp Norge AS, dividend from Elgiganten AS, Gigantti OY, and Epoq Logistics DC.

7. INVENTORIES (amounts in 1.000)

	2018/2019	2017/2018
Goods for resale	2 106 479	1 993 010
Provision for obsolete inventories	-29 906	-25 035
Total	**2 076 573**	**1 967 975**

8. SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital in the company at 30 April 2019 consists of the following classes:

	Number	Nominal amount	Carrying value
Ordinary shares	35 800 050	2	71 600 100
Sum	**35 800 050**		**71 600 100**

All shares are held by Dixons Stores Group Retail Norway AS which have 100 % of the voting rights in Elkjøp Nordic AS. Dixons Stores Group Retail Norway AS is a subsidiary of Dixons Carphone plc.

9. EQUITY (amounts in 1.000)

	Share capital	Share permium	Other paid-in capital	Other equity	Total
Equity at 1 May 2018	71 600	106 031	1 006	2 288 592	2 467 229
Profit/(loss) of the year				953 743	953 743
Acturial changes pension plan (IAS 19R)				-3 111	-3 111
Value change forward contracts				-65 410	-65 410
Group contribution paid (after tax)				-195 000	-195 000
Distributed dividends				-900 000	-900 000
Equity at 30 April 2019	**71 600**	**106 031**	**1 006**	**2 078 813**	**2 257 450**

The company has paid group contribution (after tax) of 195 000 TNOK to Dixons Stores Group Retail Norway AS.

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10. PENSION COSTS, ASSETS AND LIABILITIES (amounts in 1.000)

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan must meet the requirements of this legislation. The company has a defined contribution pension plan covering 286 employees. During this year, the company has paid TNOK 13 016 (2017/2018: TNOK 9 754) to the pension plan and the premium fund is recognised in the balance sheet with face value of TNOK 0 (2017/2018: TNOK 0).

The company has during the financial year had a defined benefit pension plan that covered a total of 22 people, 14 of whom were active.

This pension plan number of years of service, the level of salary at the retirement age and the level of the government funded pension benefits. The obligations were funded through an insurance company.
The termination of the plan had no material impact on the company's results. Executive officers of the entity are included in a separate pension plan in addition to the general pension plan. The supplementary pension is financed through the company's operations and is unfunded.

Elkjøp Nordic AS adopted IAS 19R in the fiscal year that ended 30 April 2014. NRS 6 had been used in prior periods. Following the adoption of IAS 19 actuarial gains and losses are recognised in retained earnings. Moreover, is determined using the discount rate.

	Funded		Unfunded	
	2018/2019	**2017/2018**	**2018/2019**	**2017/2018**
Present value of current year service cost	2 643	2 547	0	0
Interest cost on projected benefit obligations	245	171	0	0
Settlement including social security cost	-14 508	0	0	0
Pension expense defined contribution plan	0	0	2 396	2 805
Defined benefit cost, pension accruals and internal cross-charges	0	0	24 338	16 972
Net pension costs	**-11 620**	**2 718**	**26 734**	**19 777**

	Funded		Unfunded	
	2018/2019	2017/2018	2018/2019	2017/2018
Accrued post-employment benefit obligations	0	-63 738	-8 933	-10 279
Plan assets (market value)	0	52 514	0	0
Net post-employment benefit obligations	**0**	**-11 224**	**-8 933**	**-10 279**
Financial assumptions (defined benefit plans)				
Discount rate	2,60 %	2,60 %		
Expected return on pension plan assets	2,60 %	2,60 %		
Expected increase in salaries/pensions	2,50 %	2,50 %		
Expected increase in the base amount (G-amount)	2,25 %	2,25 %		
Expected increase in pension	0,80 %	0,50 %		

Actuarial assumptions applied for demographic factors and turnover is similar to those used within insurance.

11. RELATED PARTY TRANSACTIONS AND BALANCES (amounts in 1.000)

Related party balance items

	Current receivables		Current liabilities	
	30.04.19	30.04.18	30.04.19	30.04.18
Debtors group companies	2 546 956	1 801 795	0	0
Bank accounts in group cash pool	0	543 929	236 926	0
Group contribution	249 846	250 594	250 000	300 000
Dividends	0	0	0	0
Other receivables/liabilities	10 299	7 637	65 895	78 778
Group companies	**2 807 101**	**2 603 955**	**552 821**	**378 778**

Internal debtors and creditors are presented with net amounts.

12. INCOME TAX EXPENSE (amounts in 1.000)

Specification of income tax expense:	2018/2019	2017/2018
Current income tax payable	121 366	61 080
Changes in deferred tax	-17 417	25 008
Changes in tax rate	1 405	2 492
Tax on group contribution	55 000	69 000
Change in temporary differences booked against equity	19 327	-24 494
Difference in tax from previous years	-904	0
Tax on profit/(loss)	**178 778**	**133 086**

Specification of current income tax payable:

	2018/2019	2017/2018
This year's payable income tax expense	176 366	130 080
Income tax on given group contribution	-55 000	-69 000
Credit for Swedish tax	-2 544	0
Excess tax payable previous years	0	693
Prior year payable income tax	60 914	748
Paid tax for FY1718	-1 617	0
Branch tax to refund	0	-1 470
Current income tax payable in the balance sheet	**178 119**	**61 050**

Reconciliation from nominal to actual income tax rate:

	2018/2019	2017/2018
Profit/(loss) before taxation	1 132 521	812 213
Estimated income tax according to nominal tax rate 23 % (2016/2017 24 %)	249 155	186 809
The tax effect of the following items:		
Dividends	-70 837	-56 928
Other permanent differences	202	114
Other	-1 147	599
Changes in tax rate	1 405	2 492
Income tax expense	178 777	133 086
Effective income tax rate	18,3 %	16,4 %

Specification of the tax effect of temporary differences and losses carried forward:

	2018/2019		2017/2018	
	Benefit	**Liability**	**Benefit**	**Liability**
Fixed assets	85 321	0	55 092	0
Inventories	29 906	0	25 035	0
Receivables	4 917	0	4 478	0
Pension liability	8 933	0	21 503	0
Provisions under NGAAP	160 488	0	197 448	0
Profit and loss account	0	0	0	0
Forward exchange contracts	0	97 827	0	195 961
Other differences	27 060	0	32 899	0
Total	316 626	97 827	336 456	195 961
Deferred tax benefit/liability	48 136	0	32 314	0
Net deferred benefit/liability in the balance sheet	**48 136**	**0**	**32 314**	**0**

The deferred tax benefit is included in the balance sheet on the basis of future income.

13. FINANCIAL MARKET RISK

The company uses financial instruments to manage its financial risk.

Interest rate risk:
Interest rate risk occurs on short and medium-term basis as part of the company's debt is charged with market rate. The company's debt is to other group companies, and according to group policy market rate is applied.

Currency risk:
Fluctuations in exchange rates involves both a direct and indirect risk to the company. The company's risk arises from transactions conducted in currencies other than Norwegian kroner. In general, the company's exposure to fluctuation in currencies is a result of commodities purchased in euros. The risk related to currency is managed through the company`s use of financial instruments and derivatives.

14. WARRANTY PROVISION (amounts in 1.000)

Warranty provision in the balance sheet	2018/2019	2017/2018
Warranty provision	46 866	45 714

The company has issued guarantees for 95 rent contracts for its subsidiaries. The majority of these rent contracts relate to locations on which the subsidiaries operate its retail business.
The company purchased Epoq Holding AS including underlying operations in financial year 2011-2012.

The compensation for underlying operations shall be paid over 10 years based on the group's yearly sale of Epoq kitchen in the period 2011-2021. Allocation at 30.04.19 is NOK 54,1 million.

15. LEASE OBLIGATIONS (amounts in 1.000)

Lease commitments represent future payments for the rental of premises, land, vehicles and office equipment.

	2018/2019		2017/2018	
	Land/ buildings	Other assets	Land/ buildings	Other assets
Total undiscounted lease obligations				
Due within one year	19 467	826	17 111	677
Due between two and five years	77 866	1 532	68 445	1 687
Over five years	58 400	320	62 742	882
Total obligations	**155 733**	**2 678**	**148 298**	**3 245**

16. RELATED-PARTY TRANSACTIONS (amounts in 1.000)

The company's sale of goods is mainly against related parties. All transactions are a part of ordinary business and carried out in accordance with the arm's length principle. The following transactions were carried out with related parties:

Transaction	2018/2019	2017/2018
Sales of goods and services to group companies	30 535 973	29 672 313
Purchases of goods from parent companies	994 575	736 122
Intercompany interest income	4 770	7 365
Intercompany interest cost	6 602	6 198
Service center	21 104	32 979
Bookkeeping expenses	8 549	11 595
Handling Fees Central Distribution	600 889	637 501

17. FINANCIAL INCOME/FINANCIAL EXPENSES (amounts in 1.000)

Financial income	2018/2019	2017/2018
Foreign exchange gain	360 745	565 557
Sale of shares	0	5 647
SUM	**360 745**	**571 204**

Financial expenses	2018/2019	2017/2018
Foreign exchange loss	401 705	590 642
Other	1 137	4 649
SUM	**402 842**	**595 291**

18. SPESIFICATION OF BALANCE SHEET ITEMS (amounts in 1.000)

	2018/2019	2017/2018
Other receivables:		
VAT receivables	31 866	98 449
Other accruals	329 017	325 505
Forward exchange contracts	158 433	253 173
Other receivables	**519 316**	**677 127**

Other short-term liabilities:		
Vacation allowances	41 494	32 748
Warranty provision	46 866	45 714
Other accruals	170 458	242 989
Forward exchange contracts	60 606	57 212
Other short-term liabilities	**319 424**	**378 663**

19. SHARE - OPTION SCHEME

The company has a share option scheme that has been allocated to board members, managers and other employees. Each share option allows for the subscription of one share in the Parent Company, Dixons Carphone plc. New share options have been issued during this financial year.

An amount of NOK 50 082 thousend has been charged as an income in the profit and loss statement for 2018/2019 relating to the share based program, and NOK 17 538 thousend is booked as liabilities.
The fair value of the options is calculated according to the Monte Carlo model and assumptions listed below.

Options awarded in October 2014 to February 2019

	Outstanding options at 1. May 2018	Granted	Lapsed/ terminated	Excercised	Outstanding options at 30. April 2019	Weighted average excercise price
Jaan Ivar Semlitsch, CEO	384 076	-	384 076	-	-	£-
Other employees	3 464 816	1 154 437	2 361 000	-	2 258 253	£-
Other employees (All Colleague Shareholder award)		307 623	-	-	307 623	£-
Sum	**3 848 892**	**1 462 060**	**2 745 076**	**-**	**2 565 876**	**£-**

Description of the option plan awarded in June 2018:
Options rewarded CEO are subject to performance conditions based on relative TSR performance against the constituents of the FTSE 51-150 at the start of the performance period and, either growth in earnings per share or growth in free cash flow. There are no such conditions for other senior management.

Description of the option plan awarded in January 2019:
Options rewarded CEO will be dependent on total shareholder return (TSR) compared to the companies on FTSE 51-150 as of the date of grant for some of the options, and a combination of growth in earnings per share and total shareholder return (TSR) compared to the companies on FTSE 51-150, for other options.
There are no such conditions for other senior management.

Description of the option plan awarded in February 2019:
In February 2019, the Colleague Shareholder Award was launched. This granted every permanent colleague with 12 months service at least £ 1 000 of options which will vest after three years. These awards are not subject to performance conditions.

Weighted average life of options outstanding at the end of the period: 8,8 years. Weighted average fair value of outstanding options at the end of the period: £0,0.

A number of variables are taken into account when calculating the fair value of the share options.

Assumptions used:

	2018/2019
Exercise price	£0
Expected option life	10 years
Weighted average share price	£1,54
Volatility	36 %-37 %
Dividend yield	0 %-5,7 %

20. FINANCIAL INSTRUMENTS

The company uses financial instruments to manage its financial risk. At year-end the company has 153 different forward exchange contracts with a net present value of TNOK 97 827. The company mainly hedges purchases in EUR and USD against NOK, and sales in DKK and SEK against NOK. The contracts are entered into on regular market terms and changes in value is booked against equity.

The company uses generally accepted practices to calculate the value of the contracts. The company has no other categories of financial instruments. The table below shows forward exchange contracts grouped by currency:

	Expiration date		Currency amount	
Currency	**Pay**	**Receive**	**Pay**	**Receive**
DKK		08.05.19 - 06.04.20	0	1 832 197 000
EUR	06.05.19 - 07.04.20		958 908 000	0
SEK		29.04.19 - 02.04.20	0	4 215 035 000
USD	06.05.19 - 02.04.20		122 299 000	0


SMART TRYGGHET
Et trygt hjem for deg og dine!
SMART HJEM
Smarte løsninger for smarte hjem
Nighty night
SMART TRYGGHET
SMART TRYGGHET
SPØR OSS!

CASH FLOW STATEMENT

all numbers in '000

CASH FLOW FROM OPERATIONS:	2018/2019	2017/2018
Profit/(loss) on ordinary activities before taxation	1 132 521	812 213
Taxes paid for the period	-3 394	-12 915
Depreciation and amortisation	189 843	169 171
Gain/loss from sale of fixed assets	1 059	2 592
Pension expenses without cash effect	-16 558	464
Change in inventory	-108 5981	-676 35
Change in accounts receivables	47 829	-5 258
Change in accounts payables	161 285	343 001
Changes in intercompany balances	-1 010 551	455 589
Changes in other current assets and other liabilities	8 165	-218 993
NET CASH FLOW FROM OPERATIONS	**401 601**	**869 512**

CASH FLOW FROM INVESTMENT ACTIVITIES:		
Outflows due to purchases of fixed assets	-7 952	-17 975
Outflows due to purchases of intangibles	-225 197	-154 561
Inflows due to sales of financial non-current assets	100	27 190
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**-233 049**	**-145 346**

CASH FLOW FROM FINANCING ACTIVITIES:		
Net change in cash pool	780 855	914 870
Payments of dividend	-900 000	-1 200 000
Payments in due to group contribution	250 594	10 909
Payments out due to group contribution	-300 000	-449 945
Net cash flow from financing activities	**-168 551**	**-724 166**
Net change in bank deposits, cash and equivalents	0	0
Bank deposits, cash and equivalents at 1 May	0	0
Bank deposits, cash and equivalents at 30 April	**0**	**0**

INDEPENDENT AUDITOR'S REPORT

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To the General Meeting of Elkjøp Nordic AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elkjøp Nordic AS, which comprise:

- The financial statements of the parent company Elkjøp Nordic AS (the Company), which comprise the balance sheet as at 30 April 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Elkjøp Nordic AS and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 30 April 2019, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 30 April 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 30 April 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 and the Group as required by laws and regulations, 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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 or the Group'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 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 and the Group'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 and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 29 October 2019
Deloitte AS

Stian Jilg-Scherven
State Authorised Public Accountant (Norway)

ALTERNATIVE PERFORMANCE MEASURES

In the Highlights and Key Figures section, the Group refers to alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. The Group believes that the alternative performance measures provide useful supplemental information to investors, analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of the Group's business operations and to improve comparability between periods.

EBITDA is short for earnings before interest, taxes, depreciation and amortisation and impairments.

Operating profit before other expenses adjusted:
Elkjøp Nordic AS is part of Dixons Carphone plc. and must adhere to Dixons accounting year which follows the 445-calender where accounting year-end date is not always on month-end date. Our consolidated annual report is based on Norwegian rules and regular calendar with an accounting year-end set to 30 of April. To align communication to the market we have chosen o adjust for transactions that are not part of our reporting to Dixons Carphone plc. as this is the performance measure that Nordic management s measured on. Adjustments for current year is -108 million NOK (2017/2018: NOK 5 million). The adjustment is related to cut-off and use of different accounting principle for share options.

Market segment:
in the market segment the Group provides a summary of its retail operations across Nordic where shared functions such as central distribution and workshops are excluded.

Asset/equity ratio is total equity divided by total assets.

ELKJØP NORDIC AS