

ANNUAL REPORT AND ACCOUNTS

Elkjøp Nordic AS 2020/2021



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WAY & TONK



HIGHLIGHTS OF THE YEAR



Record profits of
1.808 mnok¹



Record turnover
of **49,8 bnok¹**



Record customer
satisfaction

KUNDEKLUBB

Record customer club
members **5,4 million**



Collection of electronic
waste of **32.928 tons**



Record Nordic
market share

¹⁾ Financial figures according to 445-period as defined in the 'Alternative Performance Measures' section.



"We help everyone enjoy amazing technology, and the Coronavirus pandemic has truly given our vision a strengthened purpose"

CEO COMMENTS

DEAR COLLEAGUES, THANK YOU FOR A DIFFERENT AND CHALLENGING, YET TRULY AMAZING YEAR!

Despite these uncertain times, we are once again setting new records together. The spirit and commitment shown by all of you in helping our customers every day is the key to our success - and this is what makes up the soul of Elkjøp Nordic.

Dear customers, thank you for choosing to shop with us. We are humble and proud to be able to continue welcoming you back, and to have the chance to make your life easier and more fun through our products and services.

When we entered a new financial year in May 2020, many thought we had put the most challenging part of the pandemic behind us. Little did we know that even stricter measures and closed stores laid ahead. All along the way, our commitment and our top priority has been to keep our colleagues and customers safe. At the same time, we have stepped up and delivered technology, knowledge, and services when our customers needed them the most.

People's increased need for our products and services during lockdown has certainly given us a tailwind, but this does not undermine the efforts put in by our 11,000 colleagues across the Nordics. Nevertheless, our record-breaking results, made in the most uncertain and volatile year in our company's soon to be 60-year long history, is proof of what we are made of.

The pandemic has affected all of our markets and every section of our organisations. With a volume increase and growth of more than 20%, it has been a stress test on our routines, systems, and people. Looking back, we see that the fix has been our ability to innovate, show flexibility, and most importantly, grit. Our experiences and results have shaped us and have made our culture and organisation even stronger.

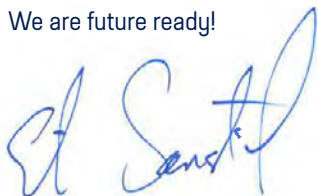
When the virus hit us in March 2020, we were about to start the roll-out of The Next Generation Retail Project, our largest-ever IT project and company investment.

Despite the difficulties we faced implementing it remotely, we proceeded and succeeded. Seamless and integrated systems, designed around a truly omnichannel customer journey, launching in a period when customers and the retail industry once and for all have tested and confirmed that omnichannel shopping is the future.

From thousands of home offices across the Nordics, we have also started implementing our ambitious Sustainability Strategy. Here, we take a clear stand and show our responsibility as a market leader in an industry that is part of a major climate problem. We are now working hard to become part of the solution, and will of course cut our CO2 emissions as a company. However, it is the goods that we sell that present the biggest climate and environmental impact. That is why the way in which we do business is what will have greatest effect, and our clear ambition is to adapt to a circular economy. Based on customer insights, we are testing and learning new approaches and services to help our customers, while at the same time enabling new business models for the future. We are currently taking the first big steps and will quickly demonstrate how we aim to accelerate in the right direction, making it easier for customers to make more sustainable choices when enjoying amazing technology.

Most importantly, in the previous year, we have helped millions of customers, of which as many as 93% say they are happy with us. For our customers and Elkj p, the situation remains uncertain, but as the society slowly opens up, we are daring to look forwards and plan ahead again. The pandemic will shape all of us and drive changes in how we lead our lives. At Elkj p, we move forward fuelled by our experiences and commitment to helping our customers all the way - through amazing technology, knowledge, and services.

We are future ready!



Erik Gunset S nsterud
CEO Elkj p Nordic AS







Det store norske folkeeventyret

Folket gikk mann av buse og gjorde Elkjøp så stor at ingen var større i hele kongeriket. Ja, ikke engang i hele Norden! Som takk fikk folket de gjeveste produktene til de laveste prisene. Men dette var bare begynnelsen for nå skal det feires - eventyret som folkebevegelsen skapte!



5995,-
SONY 29" STEREO-TV SE SIDE 2.

ELKJØP



SIST VI BYTTET LOGO, KOM MOBILTELEFONER MED VOND RYGG SOM STANDARDUTSTYR



Litt mer spennende, samme lave priser.

ELKJØP

ABOUT ELKJØP

HOW WE BECAME A SOLID MARKET LEADER WITHIN CONSUMER ELECTRONICS AND HOME APPLIANCES IN THE NORDICS

At Elkjøp, we work hard every day to enrich the lives of consumers through technology, whether they come to us online or are visiting our stores. We do this by solving technology problems and addressing key human needs across a range of areas including entertainment, productivity, communication, food, security, and health.

Elkjøp is the leading consumer electronics retailer in the Nordics. We primarily sell consumer electronics, mobile phones, computers, white goods, domestic appliances, kitchens (Epoq), and services related to these products both directly to consumers and to businesses. We are an omnichannel retailer and serve our customers both online and through our over 420 stores.

The Group consists of around 11,000 engaged colleagues working under the brands Elkjøp and Elkjøp Phonehouse in Norway, Elgiganten and Elgiganten Phonehouse in Sweden, Elgiganten in Denmark, and Gigantti in Finland. It also includes Elko in Iceland, Elding in the Faroe Islands and Pisiffik in Greenland.

We offer a wide selection of well-known brands at the best prices in the market. We achieve this through a tireless focus on the customer, efficiency, and a strong company culture.

Brief history

Elkjøp was founded in Norway in 1962 as a cooperation between 33 voluntary dealers seeking to buy larger volumes from suppliers at better prices. Since then, Elkjøp has grown to become a solid market leader in consumer electronics and home appliances in the Nordics.

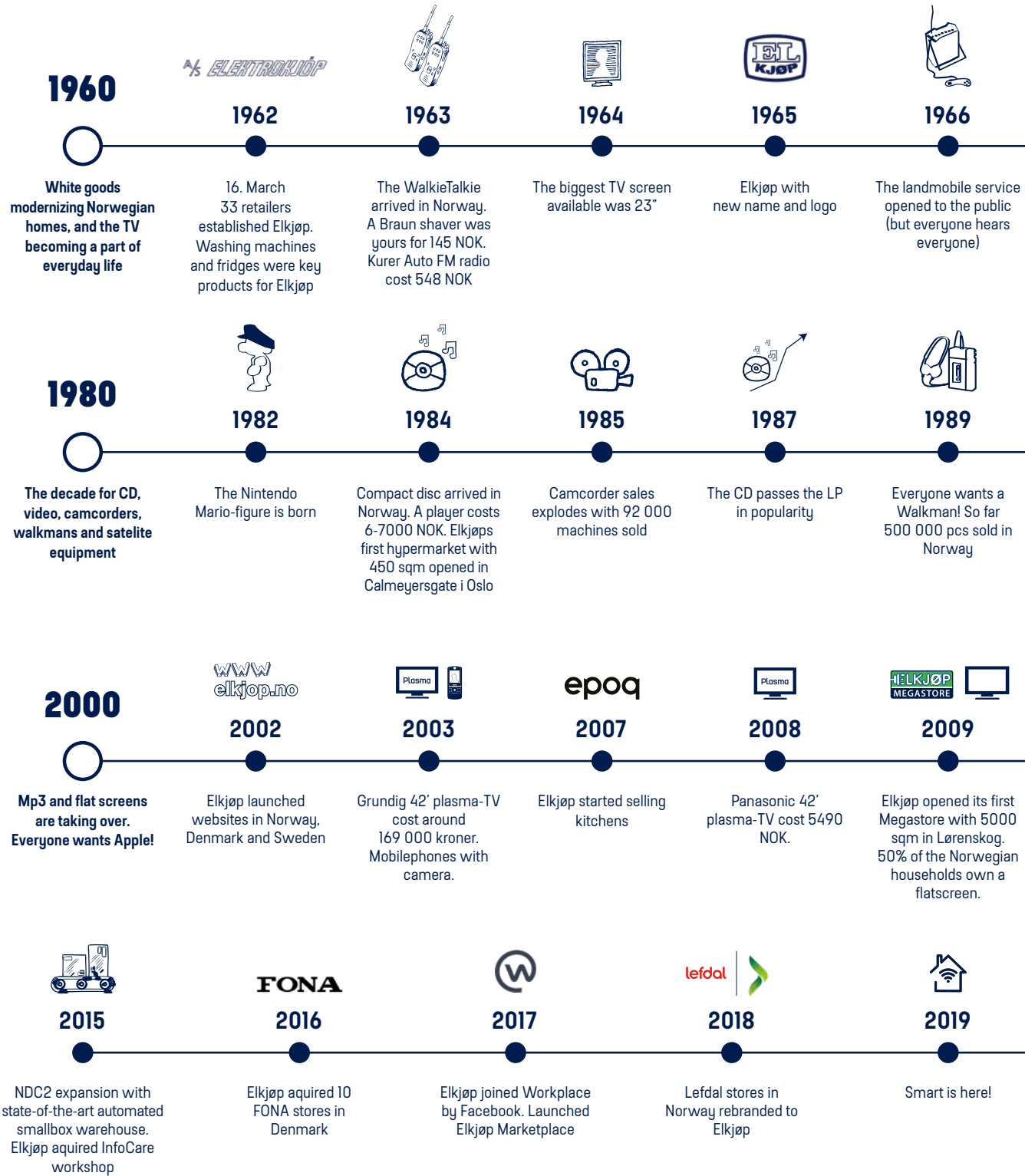
Elkjøp was listed on the Oslo Stock Exchange in 1993. Throughout the 1990's, it expanded to the other Nordic countries in addition to establishing a joint Nordic central warehouse in Jönköping. In 1999, Elkjøp was acquired by Dixons Group plc (now Dixons Carphone plc).

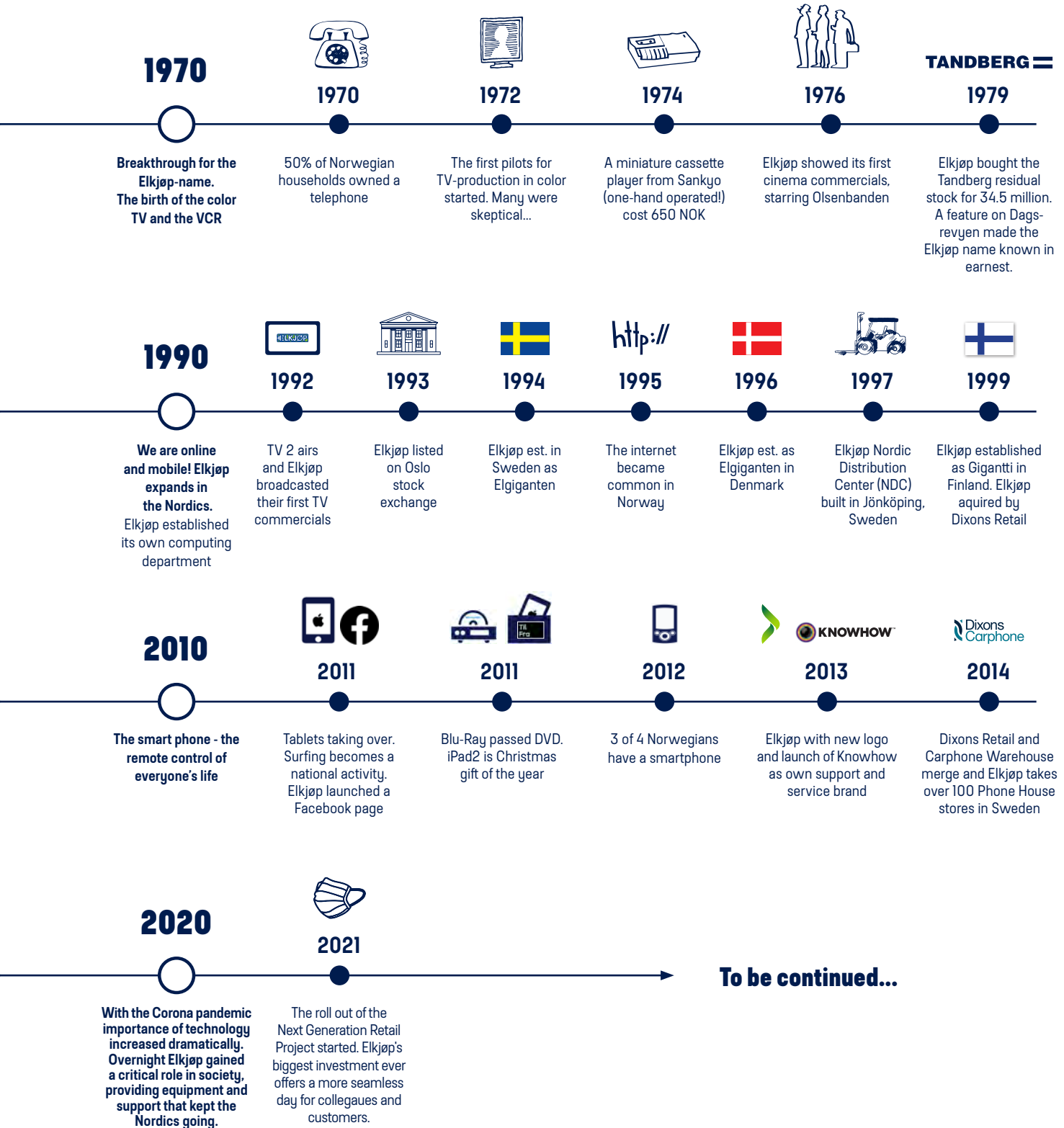
Thor Bjarmann (1945-2001)

A prominent leader in Elkjøp Nordic through two decades, who served as the Elkjøp group CEO for 13 years. Driven by his energy, charisma, courage, and innovative mindset, Elkjøp revolutionised consumer electronics retailing. The company's turnover grew from 500 MNOK to over 5.5 BNOK, and the foundation for our current operating model was established under his leadership. Thor Bjarmann held a strong and clear belief in people as the enablers for success. With his characteristic energy, enthusiasm, and determination, he put people development and the importance of learning at the core of our culture.

Continue to see the full history of Elkjøp, combined with glimpse of the amazing development of technology. —————>

THE HISTORY OF ELKJØP





OVERVIEW

The Elkjøp Group is by far the largest electronics retailer in the Nordic countries, with retail outlets established in Norway, Sweden, Denmark, and Finland, in addition to franchise operations in 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. It also includes Elko in Iceland, Elding in the Faroe Islands, and Pisifikk

in Greenland. Elkjøp Nordic has online stores in each country, 420 physical stores (including franchises), and 11,000 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: 50 stores
Elkjøp Franchise: 69 stores
Elkjøp Phonehouse: 32 stores
Dixon Travel: 2 stores
 Revenue: 15.086 MNOK
 Elkjop.no

SWEDEN

Elgiganten: 43 stores
Elgiganten Franchise: 39 stores
Elgiganten Phonehouse: 59 stores
Phonehouse Franchise: 34 stores
 Revenue: 16.345 MNOK
 Elgiganten.se

DENMARK

Elgiganten: 38 stores
 Revenue: 10.137 MNOK
 Elgiganten.dk



GREENLAND

Pisifikk Franchise: 6 stores

FAROE ISLANDS

Elding Franchise: 2 stores

ICELAND

Elko Franchise: 5 stores

FINLAND

Gigantti: 19 stores
Gigantti Franchise: 20 stores
Gigantti Phonehouse: 2 stores
 Revenue: 7.279 MNOK
 Gigantti.fi

ELKJØP NORDIC DISTRIBUTION CENTER

THE HEART OF OUR LOGISTICS

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

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

Today, the NDC houses 107,000 square meters. It has its own railway track and 85 loading and unloading ports for trailers, as well as 200 forklifts. On average, 75 fully loaded cars are used daily, and approximately 1.3 million m³ of electronics are shipped yearly. During our peak season (around Christmas), a truck of goods from the central warehouse runs every 9 minutes - 24 hours a day!

"Today, the NDC holds 107 000 square meters. It has its own railway track and 85 loading and unloading ports for trailers".

Elkjøp NDC delivers these products to 420 stores, 85 hubs, and directly to customers throughout the Nordics. The location of the NDC is not accidental, as Jönköping is situated in the middle of the Nordics, allowing us to reach 80% of the population within 24 hours. Around 550 of our colleagues work at the NDC, but the numbers increase significantly during the peak season, when 700-800 people work on a 3-shift operation (day, evening, night) to ensure that we get Christmas presents home to people throughout the Nordic region.





OUR CULTURE

We are proud of our strong culture, which was created through our history and which forms one pillar of our success. Working for Elkjøp Nordic should be fun and challenging. Our team spirit is high, and we both take pride and have great faith in what we can do and accomplish together. Our common goal is to always make sure our customers are happy, and that our values Responsible, Engaged and Efficiency guide us, remaining the core of everything we do.

RESPONSIBLE

Responsibility is how we earn the trust of our co-workers, our customers and the community.

That means truly listening to every customer and providing great advice, every time.

It means doing business in a manner that is in line with our policies and ethical standards. It is our responsibility to contribute to the quality of life of our customers, our employees, and society as a whole.

We have made it our business to help people live more sustainably through smart use of technology while simultaneously minimising our negative impact on the environment.

ENGAGED

Engagement creates great customer experiences as well as a great workplace.

To fuel our engagement, we need to encourage each other by sharing, achieving, and celebrating.

Work is more fun and more meaningful when we make the effort to make a difference – for ourselves, our colleagues, and our customers.

It takes real dedication to grow, and real engagement to be truly dedicated. The drive to do our best is what makes our co-workers stay and our customers return. It is an attitude that is the very heart of our culture.

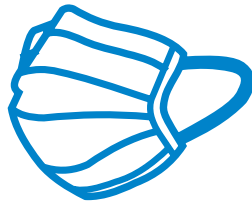
EFFICIENT

Efficiency holds our organization together from wing to wing and is what makes us move forward.

It is the very foundation we need to achieve our goals, be they big or small, individual or collective. We are always looking for ways to improve our game through cost smartness and efficient teamwork.

We depend on each other for learning, support, and feedback, whether we work in the store, at the office, in customer care, or in distribution.

Helping each other be the best we can be allows us to adapt in times of change and provides us with a key competitive advantage.



COVID-19

PUTTING PEOPLE FIRST

Most of us could not even have imagined experiencing a pandemic in our lifetimes, let alone the effect it has had on our lives. Our number one priority during the pandemic has been to keep our colleagues and customers safe. Despite the increased demand for our products and services, safety measures have resulted in many of our stores being closed. This makes our accomplishments and records this year even more impressive, because they are truly the result of our blue and green heroes hanging in there, either finding new, safe ways to help our customers, or simply standing by, eager to get back in the ring.

The safety of our colleagues and customers is our number one priority. When the virus hit, we immediately took numerous actions to take care of our people and ensure safe ways to shop. Thanks to the unrelenting efforts of our stores and offices, most of the following measures were in place after just a couple of days:

Hygiene: Disinfectant dispensers throughout stores, plexiglass at cashiers, regular cleaning of all surfaces.

Customer info: Distance markers on store floors.

Home office: For all back-office functions.

Digital meetings: In-store and from home - via Workplace and Teams.

New call centres: In Malm  and Oslo to avoid closed borders.

Contactless payment options: Vipps, Swish, Mobile Pay, Pay by link.

Click&Collect: Reduced pick-up time to 30 minutes.

Drive-in shopping: Goods delivered to customers' cars at the parking lot.

Live Shopping: Assisted online sales via video link.

Extended opening hours: For customer groups at greater risk to the virus.

Though it is still not over, the impact of COVID-19 on our lives, societies, and markets will certainly affect how we all move forward. For Elkj p's part, we have truly been put to the test and feel we are stronger than ever. The greatest lesson learned is that of the power that sits in all of us, and what we can accomplish when we work together. The speed and innovation both individuals and organisations have shown to help when our customers needed it the most is something we will use to continue shaping the future of electronics and retail.





"The safety of our colleagues
and customers is our number
one priority"



VARE
WASCHMASCHINEN

Serie 8
Bagged

ProPower

10

Bagged
ProPower

10



OMNICHANNEL

WHAT PEOPLE REALLY WANT

With lockdown and closed stores, the transformation of retail went into overdrive. Even more consumers have learned to shop online and have experienced the convenience of Click & Collect. At the same time, the situation has also proved the importance of our staff's knowledge and service, as technology became an even more essential part of our lives.

Elkjøp's response was to test and implement Live Shopping (video), as well as making all Click & Collect orders ready within 30 minutes. The system for assisted online sales through video has been a success and our staff have aided the thousands of customers who have visited us from the comfort of their own homes. Over the course of the year, this service went from being an innovative test to a project we are investing in for the future.

Our online sales ended at almost 15 BNOK in 20/21, taking Elkjøp's online share of business to new heights at a total of 29%. Click & Collect was the fastest growing channel and up by 85%. This demonstrate our position not only as the number one omnichannel electronics retailer in the Nordics but also the number one online retailer in electronics in the Nordics. With 369 million online visits Elkjøp/Elgiganten/Gigantti is also one of the most visited ecommerce platforms in the Nordics, regardless of industry.

We strongly believe in providing a great customer experience no matter how our customers choose to shop with us. For years, Elkjøp has been ahead of the curve with a clear omnichannel strategy and investment in new ways to shop. Due to the pandemic, consumers, the industry, and we ourselves have all confirmed once again that omnichannel is what people really want, and that it is clearly the future of retail.



BUILDING ELKJØP FOR THE FUTURE

NEXT GENERATION RETAIL

We have been around, helping our customers since 1962. It has been a fantastic journey in which our products and knowledge have made life easier and more fun for millions of people. Alongside the tech revolution, our company has grown and developed to become the leader in all our Nordic markets. To be frank, however, our own systems and tools that help our colleagues and customers every day have not always kept up with developments in tech, nor with the expected digital user experience.

It is for this reason that Elkjøp Nordic has made the largest investment in our soon to be 60-year long history, the Next Generation Retail project (NGR).

Involving thousands of employees across all markets, the NGR project has developed and implemented new seamless system applications, tightly integrated and designed around the customer journey. All the way, the main ambition has been to secure an easier way for our colleagues to work, as well as a smoother shopping experience for our customers.

In 20/21, the NGR project continued the roll-out of new systems and approaches to work across our markets - enabling colleagues to manage orders, products and stock digitally, as well as making home delivery more efficient. The journey now continues with a new ecommerce platform integrated with our systems and designed for a true omnichannel experience - planned to launch in 21/22.

Along with a new look and feel, a more personal interface and easier ways to sell and shop, the new platform will enable customers to serve themselves, cutting time and costs for everyone.

Through record breaking results, we are investing in our company, reshaping systems and processes from the bottom up - securing Elkjøp, efficient colleagues, and a great customer experience, now and into the future.





SUSTAINABILITY

ELKJ P'S GREEN DEAL

Why should Elkj p work with sustainability more actively? For us, the answer is clear. Electronic waste is the fastest-growing waste stream in the world, and we know that we are part of the problem. As the Nordic region's largest electronics retailer, we are striving to instead make ourselves part of the solution, and to provide a strong contribution for the world to reach the Paris climate goals. The world is running out of time. Our customers are also increasingly concerned with living greener and come to us for advice. Last but not least, we have 11,000 employees in four countries, all eager to make a bigger difference.

Therefore, the most important question is: How should Elkj p work more actively with sustainability? One obvious answer is that we will cut CO2 emissions at our own premises and operations. However, it is the products we sell that present the greatest climate and environmental impact. Therefore, it is the way we run our business in the future that will have the greatest effect.

We will always be the store with the latest solutions and the best prices. However, we will more than ever also be the store that solves needs, rather than the one that sells the most gadgets. We must promote products with the lowest possible energy needs and environmental impact. Even more importantly, we must help customers get the most out of what they have bought; update, upgrade and repair, all the way until the items need to be recycled. Some people want flexibility and would rather have access to the latest goods than own what they use. Others will enjoy something a little used, a little cheaper. We strive to deliver that, too.

Our entire industry is changing. This is not merely because of increased competition online or new players in the market, but because we are simply in the process of depleting raw materials needed to make new products. The pile of outdated, obsolete, or damaged goods is growing. Products that have barely been used go straight to recycling, or in the worst case, in the trash. For the world, it means that resources are lost. For us, it represents lost business opportunities.



REDUCE



REPAIR



RECYCLE

REUSE



The last years, we have established the Nordic region's largest repair service for electronics. We have the market's best customer advisors, and have for several years worked systematically with sustainability. Put simply, we have a unique starting point to lead our industry from throwaways to a circular economy, in which we derive more benefits and joy out of each product. We know it will pay off in the long run, because we do not live off individual sales, but on returning customers.

We know where we are going, but we definitely do not have all the answers on how to get there. Our Green Deal is an encouragement to all our suppliers, customers and partners to help us further along the way. It is also a challenge to all our 11 000 employees. In our industry, we see the fantastic things we can achieve with technology every day. The task ahead is clear.



SUSTAINABILITY 20/21

We help everyone enjoy amazing technology. That is our vision and is what we strive to do every day. We are deeply passionate about this goal and seek to show, and share, how technology can make your life better, easier, and more fun!

As the undisputed market leader in consumer electronics in the Nordic region, Elkjøp Nordic has a great responsibility with regard to how we conduct our business, contribute to society, treat our customers and employees, and how we maintain our value chain. That is why we have made it our business to help people live more sustainably through the smart use of technology, while simultaneously minimising our environmental footprint.

As the importance of this task and the concerns that surround it continue to mount in society and among colleagues and customers, we will step up and do more. In 2020, we launched our new sustainability strategy. We seek to make it easier for our customers to make more sustainable choices while enjoying amazing technology. This includes making it easier to choose greener products, easier to extend the life of products through repairs, and easier to give products new life through reuse and recycling. Through these measures, we are embarking on a journey to help our customers live more sustainably.

With our new strategy, we will take the lead on sustainability and corporate social responsibility in the electronics industry. All our employees have undergone mandatory academy training on our Sustainability strategy, and we are increasingly focused on communicating this with all departments and employees.



EMISSION FREE OPERATIONS

Zero emissions from our own stores and transport

In 20/21, we hired a Head of Sustainability. A broad Sustainability network with regular meetings has also been formalised. The purpose of the sustainability network is to create transparency through discussions, contributing to progress in important projects and activities, as well as including many employees in the sustainability agenda.

Risks and compliance

Elkjøp's sustainability efforts spring from an analysis of what we view as the most prominent topics for our business. In 2020, we conducted a materiality analysis to determine where our largest impact is. Unsurprisingly, our greatest impact is from the products we sell. Although we see great opportunities for us in moving towards a circular economy, we also acknowledge that risks associated with sustainability are becoming more prominent, and are something we need to prepare for.

Our industry relies heavily on scarce resources, like metals and minerals. This issue is increasingly present on the agenda, and we see our suppliers working to use more renewable and recycled materials. For example, the latest iPhone 12 is made with 99% recycled Tungsten.

Regulatory risks are also becoming apparent. Both at the EU-level and the national level, we see political and regulatory affairs that may affect our business, such as the idea of a deposit scheme for electronics in Sweden. We know that electronics are high on the agenda in the EU's Circular Economy Action Plan and we expect a Circular Electronics Initiative to be launched in 2021. Therefore, in 2021 we will begin measuring our sustainability performance indicators to determine how we are progressing towards a circular economy.

All the Nordic countries have ambitions and plans for how to move towards a more circular economy. Electronics and consumer goods will therefore

be more prevalent and prominent in discussions concerning the climate and the environment than before, while the regulations will become even stricter.

In 2020, Elkjøp was fined 0.5 million NOK for not featuring the correct energy labelling on white goods, as well as a fine of 50,000 NOK for insufficient labelling of return services of EE-waste in one store. This has only motivated us to work even harder to meet all new requirements, and we are implementing new routines to ensure compliance.

We are also well aware of the pressure from the investor and finance sectors to be open and transparent about our environmental and social risks, in addition to how we plan to move towards a circular economy.

We see a rise in customer awareness when it comes to the sustainability of products. In order to meet expectations from all our stakeholders, we will increasingly focus on sustainability in every part of the organization.

We have an oversight community to handle anti-bribery efforts: There is a policy in place, as well as a training programme that is mandatory for all employees to complete. We have a risk-based approach and focus our efforts on where the risks are at their highest. Due diligence is observed for suppliers as well as B2B customers.

Planet - Reducing the footprint of our own operations

As a company, we are committed to reducing our carbon footprint throughout our own operations. We aim to do so by tracking sustainability performance indicators to confirm that we are moving in the right direction, towards zero emissions. In 2021, we began the process of becoming ISO 14001 certified, helping us continuously improve our environmental performance through a more efficient use of resources and waste reduction by identifying and controlling our environmental issues.



WE WILL SELL MORE ENVIRONMENTALLY FRIENDLY PRODUCTS

We want to make it easier to understand how products are made, and what kind of environmental footprint they have.

We are continuing to reduce energy consumption in our stores. We monitor energy consumption throughout the year and map our stores on consumption per square meter. As such, we are now finalising retrofits in a lot of stores in Norway, which will contribute to a reduction in energy consumption for lighting by about 50%. Instead of installing totally new LED fittings, we supply existing fittings with Philips LED tubes with a warranty of 7 years.

There are a number of smaller and larger initiatives to reduce the impact of our own operations. For example, we have carried out a pilot project which involved in-store reuse of existing steel fittings. By reusing this steel, we saved 7104kg in just one store. Another example is Tarkett, our Nordic supplier of carpet tiles for our stores. This supplier designs our flooring with healthier, recycled materials. The carpet tiles we use in stores are designed for disassembly from the outset, and are made from 100% regenerated yarn. By recycling the old tiles at Elkj p Slependen, we spared the environment 3000kg of CO2. We will soon do the same at Elkj p Sk ygen as well, and recycling the tiles there will spare the environment 7800kg of CO2.

Nordic Distribution Center

Our Nordic Distribution Center in J n k ping is key in handling our effective logistics, and we continuously work to optimise transport and reduce emissions as much as possible. Ongoing projects include optimising the degree of filling in all trucks, which will reduce the total number of transport trips. By the end of 2021, class Euro 6 will be the standard for all vehicles. We aim to make sure that as many goods as possible are transported to the major cities using fuel that reduces CO2 emissions. We also require all drivers to have completed an eco-driving course, which teaches drivers fuel efficiency techniques, emphasising road safety, economy, and the environment.

Working with our suppliers

With all our suppliers, we have a supply agreement that regulates social, ethical, and environmental topics. In 2020, we entered cooperation with EcoVadis to get a third-party view of how our suppliers work within the broader spectrum of sustainability, including human- and workers' rights. This gives us as a retailer much better insight, as well as the ability to share more information with our customers in a transparent and straightforward manner. EcoVadis is designed with a mindset aimed at continuous improvement, giving us a tool to help suppliers become more sustainable. Their ranking uses medals to indicate what level the different suppliers are on with regard to sustainability. This medal is available on our websites, and we continue to challenge our suppliers to improve their sustainability efforts. So far, we have 89 suppliers onboarded with EcoVadis, and many more to come. We know how difficult it can be to choose more sustainable goods, and we hope this ranking will make it easier for our customers when they are shopping.

We are also collaborating with our suppliers to provide more relevant product sustainability information to our customers both in-store and online. This way, we hope to make it easier for our customers to make more informed decisions concerning relevant sustainability indicators.

Over the course of 20/21, we have launched several campaigns aimed at helping consumers take care of their products. With Electrolux, the campaign "Make it last" encouraged consumers to take better care of their clothing when washing so that they may last longer. With Bosch and Siemens, the message was about how to avoid food waste.

Repair, reuse, recycle

We wish to help extend the life of our customers' products through assistance and information, as well as increased offers for spare parts and repairs.



HELPING PROLONGING THE LIFE OF OUR PRODUCTS

All products should be repairable to extend its lifetime and usage

In 2020, we launched spare part solutions in all countries. Millions of spare parts are now available through our online platform, making repairs and replacements easier for consumers, which in turn helps prolong the lifecycles of our electronics. We are also working hard to make this solution even better and easier to use. In 2022, we also aim to launch a new and improved spare parts solution.

With more than 650,000 repairs in FY 20/21, we saw a reduction in volume due to the severe impact of COVID-19 restrictions.

With a reinforced emphasis on in-store repair as a sustainable and customer-friendly option, we have seen tremendous growth. Since launch, total Apple repairs have increased from 92 repairs in 2016 to over 65,000 in 2020. This has made Elcare a huge player in the market, and has ensured local repairs for many customers.

For the coming period, we have plans to further strengthen this service by opening or refitting many new locations across the Nordics.

We also have a good collaboration with Apple and their Apple Green Initiative, in which they mention Elkjøp as a pioneer in the Nordics.

Through Elkjøp Outlet, where you get the opportunity to choose returned items instead of new ones, we encourage reuse, and this will be another area we seek to strengthen going forward.

Currently, much is being done to fortify our repair set-up and partnerships. With our ownership in Infocare Workshop, we renamed this service Elcare Nordic in 20/21. This was done both to distance it from the Infocare brand while also bringing it closer to Elkjøp, as Elcare operates our in-store workshops, in addition to 3 large central workshops. We launched Elkjøp Extended warranty as a service for all

categories in all major product groups in 2020.

Our Customer Contact Center, especially our technical help desk, can also be highlighted as fantastic services that do a lot for customer service and lengthen product lifespans.

Responsible handling of electronic waste

From our stores across the Nordic region, Elkjøp collects almost 33,000 tons (2020) of electronic waste from customers each year. The waste is collected by local recycling partners, handled appropriately, and is then re-introduced into the circular economy. While most of the larger electronic products such as washing machines and TVs are collected, there is a struggle in all markets to collect smaller electronic devices such as cables, power banks and the like, which often ends up with ordinary trash. Similarly, mobile phones, tablets and other devices with data storage remain with customers and do not enter the circular economy. To prevent this, we have encouraged people in Sweden and Finland to hand in their old and unused mobile devices, often gathering dust in drawers and boxes, through the campaign "One Million Phones".

Like many other parties who handle electronic waste, we have unfortunately also experienced issues with theft from our facilities. To prevent this, and to ensure environmentally friendly waste management, we installed secure collect boxes, 24-hour camera surveillance, and remote security in our waste facilities in 19/20, which has drastically reduced the problem, and we are continuously working to improve.



100% NEW LIFE

Making sure products are reused and recycled





PEOPLE

FIGHTING DIGITAL EXCLUSION

Most of us are on a fantastic tech journey that improves our everyday lives. Many, however, are still left on the platform, as the ticket is only available via an app. We have a joint responsibility to get everyone on board - and this is why we fight digital exclusion.

Through our annual Techno Trouble survey, we have identified a number of groups that due to age, socioeconomic status, disabilities, language and cultural barriers, or other conditions, find themselves on the wrong side of the technological class divide.

According to our research, one out of three people in the Nordics find it difficult to keep up with changes in technology, and 20 percent say they have products at home that they do not know how to use. Even more admit that they are not utilising their products to their fullest potential, as they are unaware of how to use all their features.

We established The Elkjøp Foundation to fight digital exclusion. We work to raise awareness, improve knowledge, and provide access to people who are falling behind the rapid development of technology. To connect, play, or learn with technology should be easy and fun, but this is not always the case.

For this reason, The Elkjøp Foundation supports organisations and associations with products and guidance - in addition to financial resources. This sits very close to our vision and our hearts, and is a task we take immense pride in!

We keep track of our customers' technology challenges through our Tech Trouble survey. According to our research from 2020, one in three people in the Nordics are worried that more people will be excluded from society because of hastened technological development. We also identified that one out of five people have problems with technology when learning. To meet this challenge in Sweden, we have partnered with Laxhjälpen to provide access to technology with support and products. This was done based on the finding that 15% of high school students graduated without finishing their degrees.

People – our magic ingredient

Sure, we love smart gadgets that make our lives easier, but they can never beat the real thing: people. The smiles, helping hands, and experienced advice from our 11,000 colleagues are our magic ingredients and are what creates our success and keeps our customers coming back. They are our most important asset, and are a unique selling point in an ever-changing and competitive industry.

Therefore, we work hard every day to take care of our people and to create a workplace where our colleagues thrive, as well as a culture that inspires many more to join.

Learning & Development

The pandemic put our learning and development plans to the test and forced us to cancel or rethink training sessions. This led to an increase in the use of online learning (see graph). Over 400 training programmes were offered through nearly 100 suppliers and in-house training programmes. In total, over 28,300 training hours have been completed through e-learning alone.

Diversity and inclusion

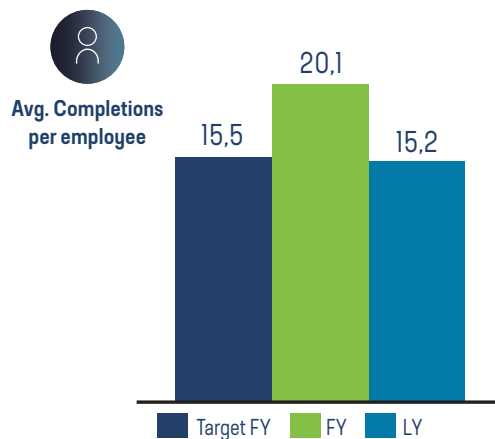
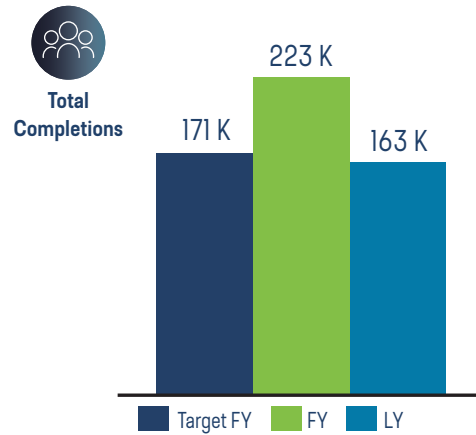
It takes diversity of thought, culture, background, and perspective to create truly great customer experiences.

To help everyone enjoy amazing technology, we need to reflect the diversity of our customers and society as a whole throughout our workforce. This means that we recognise that supporting diversity is not only the right thing to do, but also the right thing for our business. Our commitment is woven into our values and our belief that our company is strongest when we embrace the full spectrum of humanity, regardless of what we look like, where we come from, or who we love. This means both building a more diverse and inclusive workplace, and promoting what we call a courageous engagement in our company and the communities we serve.

At Elkjørp, we continue to promote a healthy and secure work environment where all our employees can develop and thrive. We have approximately 11,000 people employed in our company, and as a large employer, we must always act with integrity and take our people seriously. Driven by in-store staff, Elkjørp has a relatively young workforce with 60% of all employees under the age of 30, making us, in many cases, their first employer.

Therefore, we expect high standards in our employment practices to ensure that we are an employer to trust and a good place to start a career. We aim to reflect society in terms of gender, age, and ethnicity at every level of the organization, and to promote a culture that celebrates diversity, encourages cultural awareness and social justice. We believe an increased focus

ONLINE TRAININGS



on diversity and inclusion will foster creativity, good decision-making and that it will contribute to business development. Therefore, diversity and inclusion and preventing unlawful discrimination in the workplace is a high priority for us.

By the end of the FY 20/21, the gender distribution in the Elkjørp Group was 27% women and 73% men. We are aware of the gender imbalance in our company and have initiated actions to even these numbers. One such action is setting clear goals for gender balance. By 2025, we aim to have 40% female employees and a total of 30% of female managers in the Group.

Elkjørp 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. As a way forward, we will complete a revision of all our employee practices to ensure that we attract, recruit, and retain a diverse workforce and foster an inclusive workplace.





HELP ALL THE WAY

BEING THERE FOR OUR CUSTOMERS

To connect, play, or learn with technology should be easy and fun, but this is not always the case.

Elkjøp Nordic's annual Tech Trouble survey for 2020 reveals that close to one in five (16%) of Nordic residents do not have access to the technology they need.

As a large corporation and the market leader in electronics, we have a considerable responsibility to include everyone in the amazing world of technology. The Elkjøp Foundation is an important part of this task, and through last year's product donations, user training, and support, our colleagues have included people in a world that most of us take for granted, but which many still are left out of.

Before - during - after

Although the largest gaps in tech accessibility are related to age and social differences, our findings and experience show that more and more users need help when in the market for electronics. Developments in tech are rapid, both in terms of products and infrastructure, and most of us cannot keep up. In the busy lives we lead, time is also becoming a scarce resource. Therefore, Elkjøp has a clear strategy to help our customers all the way, offering the help and services our customers need and want, before, during, and after a purchase.

Through our customer club, we stay in touch with 5.4 million customers per year end across our four markets. Although it has been a difficult year, we managed to recruit 2.2 million new club members

in 20/21 - making us one of the largest customer clubs in the Nordics, equivalent to more than 40% of Nordic households.

The customer club enables us to communicate and offer deals, but also share knowledge and gather valuable insights. We have learned that people want more services, and we are continuously developing and testing new ways to make shopping, delivery, installation, and repairs even easier.

Financial services

External studies show that consumers also increasingly want alternatives to owning electronics. Large appliances and new technologies can be expensive, and younger consumers in particular are interested in financial services like renting, leasing and subscribing for a monthly price. Elkjøp is already offering and testing these options, and more services and financing options are on the way. For instance, we are looking into bundling relevant products for the home under one monthly price.

One important part of our sustainability strategy is to help consumers make smarter choices to live a more a more sustainable life. Currently, we help with repairs and handling electronic waste. Moving towards alternative owning models opens up for new ways to extend product lifecycles.

Based on customer insights, we are testing and learning new ways to help our customers, while simultaneously enabling new business models for the future.



KEY FIGURES

Group (amounts in NOK million)	Year ended 30 April 2021	Year ended 30 April 2020
Revenue ¹	49 889	41 345
Growth% (revenue) ²	20,7%	7,6%
EBITDA ex. IFRS 16	2 188	1 801
EBITDA (%)	4,4%	4,4%
Operating profit (EBIT) ex IFRS 16 ³	1 718	1 310
Cash provided by operating activities	3 446	4 405
Year-end financial position	30 April 2021	30 April 2020
Total assets incl IFRS 16	18 543	19 872
Total assets ex. IFRS 16	14 588	15 128
Investments in intangible and fixed assets	596	689
Equity	4 131	3 417
Asset/equity-ratio incl IFRS 16	4,5	5,8
Asset/equity-ratio ex. IFRS 16	3,5	4,4
Market Segment⁴ (amounts in NOK million)		
Norway	Year ended 30 April 2021	Year ended 30 April 2020
Revenue	15 086	13 091
Growth	15,2%	7,6%
EBITDA ex. IFRS 16	556	440
EBITDA (%)	3,7%	3,4%
Number of owned stores at period end	84	81
Net new/(closed) stores in the period	3	3
Sweden		
Revenue	16 345	13 107
Growth	24,7%	10,7%
EBITDA ex. IFRS 16	463	270
EBITDA (%)	2,8%	2,1%
Number of owned stores at period end	102	104
Net new/(closed) stores in the period	(2)	(6)
Denmark		
Revenue	10 137	8 850
Growth	14,5%	10,6%
EBITDA ex. IFRS 16	169	179
EBITDA (%)	1,7%	2,0%
Number of owned stores at period end	38	38
Net new/(closed) stores in the period	-	-
Finland		
Revenue	7 279	6 161
Growth	18,1%	13,6%
EBITDA ex. IFRS 16	131	63
EBITDA (%)	1,8%	1,0%
Number of owned stores at period end	21	22
Net new/(closed) stores in the period	(1)	-

1) Revenue reported to Dixons Carphone for 445-accounting year was 49.8 billion in current year and 41.8 billion last year on a 53 week basis, and 41.1 billion on a 52 week basis.

2) Fx neutral growth was 15.0% in 2020/2021 (5.9% in 2019/2020)

3) Operating profit (EBIT) ex IFRS 16 is defined in the 'Alternative Performance Measures' (APM) section.

4) Market figures are based on 445-reporting calendar. Definition of 445-period is available in APM section.

BOARD OF DIRECTORS' REPORT

FISCAL YEAR ENDING APRIL 2021

Main activities

The business areas for Elkjøp Nordic AS are to conduct trade in consumer electronics, home appliances and related products and services.

Elkjøp Nordic AS is a limited-liability company with its head office in Oslo, Norway. Elkjøp Nordic AS with subsidiaries (The Group) is part of the Dixons Carphone plc Group, located in London and listed on the London Stock Exchange. The Elkjøp Nordic AS 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 corona pandemic impacted the Group's financial performance as the demand for electronic products increased in all markets. Turnover increased from NOK 41 345 million to NOK 49 889 million, an increase of 20.7%. The Group has focused on keeping stores

open and ensuring the safety of employees and customer's safe shopping. New ways of shopping have been launched such as video assisted sales and click and collect within 30 minutes. Despite safety measures, the Group had to temporarily close stores in

Denmark and Norway due to national restrictions. Compared to the physical stores, the Group's e-commerce had a strong growth of more than 50%. The Board sees the importance of the interaction between the e-commerce channels and the physical

stores. Sales alternatives like video assisted sales in combination with Click & Collect emphasize the value of the omnichannel operating method.

Operating profit before other expenses increased with 30.2%, from NOK 1 425 million to NOK 1 855 million. Profit after tax for the fiscal year ended at NOK 1 248 million, compared to NOK 834 million last year.

A central contribution to the growth is our customer club. During the financial year we have reached 5.4 million members in our loyalty programme, making the club one of the largest in the Nordics. The programme offers valuable product and services to the members and we experience that customers value the offers.

Total assets at year-end 2020/2021 were NOK 18 543 million. The corresponding figure for 2019/2020 was NOK 19 872 million. The equity ratio for 2020/2021 is 22.3%. The increase in equity ratio is mainly due to strong financial performance together with strong balance sheet control during the financial year.

Total investments for the fiscal year were NOK 596 million, which was NOK 93 million below last year. The main additions are intangible assets related to IT, as the Group is in a process of replacing the sales system used in the stores in all markets. During the financial year the system was implemented in Denmark, Norway and Sweden, and implementation in Finnish stores will take place in the next financial year. The Board is of the opinion that the system will modernise and transform the business, which over time will improve customer experience and efficiency.

The Group generated a net cash flow from operating activities of NOK 3 446 million. This is a reduction of NOK 960 million compared to 2019/2020.

TURNOVER INCREASE
20.7%

Last year some of the Group's payment terms were extended due to Covid-19, but at year-end 2020/2021 the effect of extended payment terms is considered to have had no material impact since payments and conditions are back to a normal level.

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. 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 30 April 2021, and the Group's operations and cash flows for the financial year 1 May 2020 – 30 April 2021.

Review of the Company financial statements

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. Turnover increased from NOK 32 628 million to NOK 40 849 million, an increase of 25.2%. Profit after

tax for the fiscal year ended at NOK 1 079 million. No events have occurred since the end of the fiscal year that are 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, a solid equity base and good liquidity. All long-term financing is from group companies. The Company signed a credit facility of NOK 4 035 million at year-end and long-term financing from group companies are expected to be replaced by this credit facility in the next financial year. The facility has not been utilised at year-end. The Board believes that the financial statements give a true and fair view of the assets and liabilities, financial position and result.

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 derivative contracts are entered into on regular market terms.



The market and environment

The market for consumer electronics is characterised 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 approximately 47 000 tons of electronic products annually in Norway, 42 000 in Sweden, 24 000 in Denmark and 26 000 in Finland. The Group is aware and humble considering the impact the business causes on the environment and is proactively working to minimize this impact. Activities include a focus on repairing products when possible, facilitating the return of used electrical waste, ensuring efficient recycling of products, ensuring optimal utilisation of trucks and implementation of an energy management system.

Safe and efficient logistics are essential for the Group to run the business. Our main warehouse in Jönköping, Sweden is the hub of Group's 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.

In the EU, countries are required to follow the EU WEEE-directive (Waste Electrical & Electronic Equipment). The Group therefore collects, recycles and scraps a share of the total volume sold. In 2020 the Group's stores collected 33 000 tons of electronic waste.

Working environment and people development

The Group continues to promote a healthy and secure work environment where all of our employees can develop and thrive. The Group has 10 750 employees (full-time and part-time) at fiscal year-end. Absence due to sickness is within normal levels at 5.0% of the total working hours in the Group. During the pandemic, the Group initiated several activities to keep our staff and customers safe. The work environment is perceived as good. Feedback from the Group's annual survey suggests that the staff are satisfied with our handling of the pandemic crisis. The Group did not experience any significant employee accidents or injuries in the current fiscal year. The Group's whistle-blowing channel is available to all employees in their mother

tongue to give an alert on breaches of the Group's code of conduct. Compliance: Code of Conduct and IT-Security & Privacy, a module-based e-learning training program has been provided to all Group employees.

Learning is an essential part of the Group's strategy and culture, and a key to secure that the Group is an attractive employer. During the past year, the staff have completed 215 000 training sessions with an average of 19,5 completions per employee.

Diversity, Equality, and Inclusion

In order to help everyone enjoy amazing technology, the Group aims to reflect the diversity of customers and society as a whole throughout the workforce. Driven by in-store staff the Group has a relatively young workforce with 60% under the age of 30 years old. The gender distribution in Elkjøp Group is 28% women and 72% men, the top management team consists of two female and five male directors and the Company's Board of Directors' consists of one female and four male members. We are aware of the gender imbalance in our Company and have initiated actions to even the numbers. During this financial year the Group has agreed on a cross Nordic policy on Diversity, Equality and Inclusion to set a clear direction on how to work on this going forward.

The Norwegian Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion, and faith. Elkjøp is working actively, determined and systematically to encourage the Act's purpose within the business through recruiting, salary and working conditions, promotion, development opportunities and protection against harassment. An account of the Group's efforts to meet the requirements is provided in the Group's report (Responsible Employer) published on our corporate website elkjopnordic.com.



Oslo, Norway, 25 June 2021
The Board of Directors'
Elkjøp Nordic AS



Lill Beate Pedersen
Member of the Board



Andreas Ørnholt Westgaard
Member of the Board



Erik Gunset Sønsterud
Managing Director / Member of the Board



Per Erik Wernersson
Member of the Board



Jonathan Peter Mason
Chairman of the board

CONSOLIDATED INCOME STATEMENT

NOK in million	Note	Year ended 30 April 2021	Year ended 30 April 2020
Revenue from contracts with customers	4	49 889	41 345
Cost of goods sold	4	-39 291	-31 984
Employee costs	5	-5 037	-4 627
Operating expenses	6, 26	-2 309	-1 997
Amortisation and Depreciation	11, 12, 13	-1 384	-1 340
Net currency gains (losses)	7	-13	28
Operating profit before other income / (expenses)		1 855	1 425
Other expenses	7	-0	1
Operating profit		1 855	1 426
Finance income		18	11
Finance costs		-321	-320
Net finance costs	8	-304	-308
Profit before tax		1 551	1 117
Income tax (expense) / credit	9	-303	-283
Profit after tax		1 248	834

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

NOK in million	Note	Year ended 30 April 2021	Year ended 30 April 2020
Profit after tax for the period		1 248	834
Items that may be reclassified to the income statement in subsequent years:			
Cash flow hedges			
Fair value movements recognised in the income statement	21	-507	155
Reclassified and reported in income statement	21	238	-94
Amount recognised in inventories	21	64	-43
Tax on items that may be subsequently reclassified to profit or loss	9, 21	46	-4
Exchange gains / (losses) arising on translation of foreign operations	21	-220	279
Total of items that may be reclassified to the income statement in subsequent years		-378	293
Other comprehensive income / (expense) for the period (taken to equity)		-378	293
Total comprehensive income for the period		870	1 127

CONSOLIDATED BALANCE SHEET

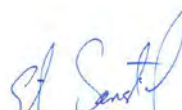
NOK in million	Note	30 April 2021	30 April 2020
Assets			
Goodwill	10	1 108	1 193
Intangible assets	11	823	648
Property, plant and equipment	12	851	975
Right-of-use assets	13	3 955	4 744
Non-current receivables	15	28	37
Deferred tax assets	9	136	12
Non-current assets		6 901	7 609
Inventory	14	5 449	4 947
Trade and other receivables	15	1 914	2 195
Derivative assets	22, 23	240	897
Cash and cash equivalents	22, 24	334	325
Cash pool receivable	16, 22	3 706	3 900
Current assets		11 643	12 263
Total assets		18 543	19 872

NOK in million	Note	30 April 2021	30 April 2020
Equity and Liabilities			
Share capital		72	72
Share premium reserve		107	107
Accumulated profits and other reserves		3 952	3 238
Total equity	21	4 131	3 417
Liabilities			
Lease liabilities non-current	18	3 044	3 720
Provisions non-current	20	58	113
Deferred tax liabilities	9	183	197
Deferred and contingent consideration non-current	19	-	21
Trade and other liabilities non-current	17	89	20
Employee benefit obligations	5	4	6
Non-current liabilities		3 378	4 077
Lease liabilities	18	972	1098
Provisions	20	107	31
Income tax payable	9	378	283
Deferred and contingent consideration - current	19	19	17
Derivative liabilities	22, 23	433	609
Trade and other liabilities - current	17, 22	9 048	8 587
Cash pool liability	16, 22	77	1 753
Current liabilities		11 034	12 378
Total equity and liabilities		18 543	19 872

Oslo, Norway, 25 June 2021, The Board of Directors', Elkjøp Nordic AS



Jonathan Peter Mason
Chairman of the board



Erik Gunset Sønsterud
Managing Director / Member of the Board



Per Erik Wernersson
Member of the Board



Lill Beate Pedersen
Member of the Board



Andreas Ørnholt Westgaard
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 2019		72	107	3 154	-2	53	3 384
Profit for the period		-	-	834	-	-	834
Other comprehensive income and expense recognised directly in equity		-	-	-	279	14	293
Total comprehensive income and expense for the period		-	-	834	279	14	1 127
Equity dividends		-	-	-900	-	-	-900
Group contribution to holding company DSG Retail Norway		-	-	-250	-	-	-250
Tax on group contributions		-	-	55			55
At 30 April 2020		72	107	2 893	277	68	3 417
Profit for the period		-	-	1 248	-	-	1 248
Other comprehensive income and expense recognised directly in equity		-	-	-	-220	-159	-378
Total comprehensive income and expense for the period		-	-	1 248	-220	-159	870
Equity dividends		-	-	-	-	-	-
Group contribution to holding company DSG Retail Norway		-	-	-200			-200
Tax on group contributions	9	-	-	44	-	-	44
At 30 April 2021	21	72	107	3 985	58	-91	4 131

CONSOLIDATED STATEMENT OF CASH FLOWS

NOK in million	Note	Year ended 30 April 2021	Year ended 30 April 2020
CASH FLOWS FROM OPERATIONS			
Profit before tax		1 551	1 117
Taxes paid for the period		-293	-162
Depreciation and amortisation		1 384	1 340
Gain/loss from sale of fixed assets		57	-5
Interest without cash effect	18	225	240
Change in inventory		-503	56
Change in trade receivables		281	-27
Change in trade and other current liabilities		461	1 940
Changes in other assets and other liabilities		281	-95
Net cash flows from operations		3 446	4 405
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Outflows due to purchases of fixed assets	12	-268	-280
Outflows due to purchases of intangibles	11	-329	-409
Net cash flows from investment activities		-596	-689
CASH FLOWS FROM FINANCING ACTIVITIES			
Changes in net cash pool balance	16	-1 482	-1 614
Capital repayment of lease liability	18	-1 158	-960
Payments of dividend		-	-900
Payments out due to group contribution		-200	-250
Net cash flows from financing activities		-2 840	-3 724
Net change in cash and cash equivalents	24	9	-8
Cash and cash equivalents 1 May		325	333
Cash and cash equivalents 30 April		334	325



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ELKJOP

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1 ABOUT THE BUSINESS

Elkjørp Nordic AS (the Company) is a limited liability company incorporated in Norway and was founded in 1962. The Group consists of Elkjørp Nordic AS with subsidiaries (The Group) and is wholly owned by Dixons Carphone plc located in London and listed on the London Stock Exchange. 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 franchises. All of the approximately 420 stores in the Nordic region are mainly supplied by our own distribution services, with a central warehouse in Jönköping, Sweden of 107,000 m².

These consolidated financial statements have been approved for issuance by the Board of Directors on 25 June 2021 and is subject to approval by the Annual General Meeting on 30 June 2021.

2 TRANSACTIONS AND EVENTS IN 2020/2021

Last financial year ended two months into the pandemic. In those months, the Group experienced a strong sales growth in all markets as demand for consumer electronic increased together with the home office becoming the new way of working. This trend continued during this financial year and even with temporary store closures in Denmark and Norway due to the pandemic, the Group experienced a high demand for electronic products throughout the financial year.

The Group has responded and adapted to the challenging situation and has improved routines to secure that both customers and colleagues are safe in physical stores. Sales services like assisted online sales guidance, different methods for contactless payments and click and collect solutions have been improved throughout the year and customers can now order online and pick up their products on the parking lot outside the store within 30 minutes after placing their order.

During the financial year the Group has rolled out a new store system that is part of our Next Generation Retail project. The project's target is that our retail business shall become a true omnichannel retailer. The new store system has been rolled out successfully

in Denmark, Sweden and Norway, and Finland will follow in the first half of the next financial year.

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 certain financial instruments that are presented at fair value, as explained in these consolidated financial statements. All amounts have been rounded to the nearest NOK 1 million, unless otherwise stated.

Elkjørp Nordic AS is part of Dixons Carphone plc, and must adhere to Dixons Carphone's accounting year which follows the 445-calender where the accounting year-end date is not always on a month-end date. Our consolidated annual report is based on an accounting year-end set to April 30. The financial information in the statements and notes are based on a fiscal accounting year starting May 1 and ending April 30.

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 returns 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 when 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

Transactions denominated in foreign currencies are translated to the Group's presentation currency using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are generally recognised in profit or loss.

The Group uses foreign exchange ('FX') forward contracts to hedge transactions denominated in foreign currencies. 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. Further information on the Group's hedging is disclosed in note 23.

The results of foreign entities 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 the acquisition of intangible assets 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 foreign entities are recognised in the translation reserve. All other exchange differences are included in profit or loss in the year in which they arise, except when hedge accounting as defined by IFRS 9 'Financial Instruments' is applied. Cash flow hedge accounting is applied when the Group designates financial instruments as hedging instruments held for the purpose of hedging the foreign currency exposures that result from material transactions undertaken in foreign currencies. 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.

Accounting estimates and judgements

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically.

Goodwill impairment

An annual assessment is made, as set out in note 10, as to whether the current carrying value of goodwill is impaired. Detailed calculations are performed based on discounting expected pre-tax cash flows of the relevant cash generating units and discounting these at an appropriate discount rate, the determination of which requires the exercise of judgement.

Inventory

Inventory is valued based on a minimum stock provision policy where each item of stock will be grouped with items with similar characteristics.

Each group will have a stock ageing provisioning policy attached to it. The policy is reviewed periodically to secure that the book value of stock is greater than its net realisable value, and the review requires the exercise of judgement.

Provisions for liabilities and charges

The recognition and measurement of provisions for liabilities and charges requires significant judgement and the use of estimates about uncertain future conditions or events. Estimates include the best estimate of the probability of outflow of economic resources, cost of settling a provision and timing of settlement.

4 REVENUE

Accounting principles

Revenue comprises sales of goods and services excluding sales taxes. The majority of Group sales are for goods sold in physical stores or online, where there is a single performance obligation and revenue is recognised at the point of time of the sale or, when later, upon delivery to the end consumer.

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 at the point of sale (retail) or delivery (internet sales);
- Commission revenue relates to the sale of third-party network, insurance and finance products where the Group acts as an agent. Sales commissions received from third parties are recognised at the point in time when the related stock is 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 as each performance obligation is satisfied under the contract 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.

Discounts received from suppliers

The Group's agreements with suppliers contains 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 over a period end, judgement is required regarding the amount to be recognised. Forecasts are used as well as historical data in the estimation of the level of rebates recognised. Amounts are only recognised when the Group has a clear entitlement to the receipt of the rebate and a reliable estimate can be made.

Customer discount support: This income 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 when the item is sold.

Marketing support: This is received in relation to marketing activities that are performed on behalf of suppliers. The income is recognised over the period as set out in the specific supplier agreements and is recognised as a reduction to the relevant expense line within the income statement.

Supplier funding amounts that have been recognised and not invoiced are shown within trade and other receivables 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 2021	Year ended 30 April 2020
Sale of goods	45 257	36 392
Commission revenue	2 994	3 322
Support services revenue	716	716
Other service revenue	923	915
Total revenue	49 889	41 344

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

Remaining performance obligations at year-end is NOK 98 million (2019/2020: NOK 57 million) where NOK 34 million is due within one year (2019/2020: NOK 13 million) and NOK 64 million is due in more than one year (2019/2020: NOK 44 million).

The majority of Group sales are settled at the point-in-time of the sale. Sales to franchisees, B2B and commissions are normally settled within a time period of thirty days.

Revenue recognised that was included in the contract liability at the beginning of the period amounts to NOK 661 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 occupational pensions.

Company contributions to defined contribution pension schemes and contributions made to state pension schemes for certain employees are expensed in the income statement on an accrual basis when employees have rendered the services entitling the employee to the contribution.

Employee costs

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

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Salaries and performance bonuses	3 873	3 545
Other employee cost	286	217
Social security costs	640	592
Pension cost	218	204
Share based payments	20	68
Total employee costs	5 037	4 627

The average number of employees was 10,399 (10,113 in 2019/2020).

The pension charge in respect of defined contribution schemes was NOK 215 million (2019/2020: NOK 201 million).

See also note 25 Management remuneration for additional information.

Share-based payments

Accounting policies

The Group participates in Dixons Carphone plc's share-based payment 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. An amount of NOK 17 million has been charged in the profit and loss statement for 2020/2021 relating to the share-based program (2019/2020 NOK 68 million), and NOK 112 million is booked as a liability (on 30 April 2020 NOK 98 million). The fair value of options was estimated using a Monte Carlo model.

The Group management participates in the following plans:

- Annual share-plan, 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.

Options awarded from April 2016 to February 2021:

	Outstanding options at 1 May 2020	Granted	Lapsed/terminated	Exercised	Outstanding options at 30 April 2021	Weighted average exercise price
Erik Gunset Sønsterud, CEO	955 655	759 363	-	39 470	1 675 548	£ -
Other employees	11 628 970	4 530 872	3 045 699	691 562	12 422 581	£ -
Sum	12 584 625	5 290 235	3 045 699	731 032	14 098 129	£ -

Weighted average life of options outstanding at the end of the period: 8.5 years

Weighted average fair value of outstanding options at the end of the period: £1.0

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

6 OPERATING EXPENSES

Operating leases after adoption of IFRS 16 comprise of short-term leases and turnover based rent. Other operating expenses comprise IT, travel, security, warranties, stationery and supply expenses etc., where the cost of IT is the single largest contributor to the expenses.

Assumptions used:	2020/2021
Exercise price	£nil
Expected option life	10 years
Weighted average share price	£0.91
Volatility	41%
Dividend yield	0% - 3.8%

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Operating leases of buildings, land and equipment	49	87
Marketing and advertising	827	765
Operation, maintenance and other costs of premises, vehicles etc.	491	403
Other operating expenses	943	741
Total operating expenses	2 309	1 997

Auditor's remuneration comprises the following:

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Fees payable to the company's auditor for audit of the company's annual accounts	1,2	1,3
Fees payable to the company's auditor and its associates for their audit of the company's subsidiaries	2,9	2,4
Total audit fees	4,1	3,7
Other services	0,2	0,2
Total audit and non-audit fees	4,3	3,9

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 2021	Year ended 30 April 2020
Foreign exchange rate gain	1 755	1 050
Foreign exchange rate loss	-1 768	-1 022
Net currency gains (losses)	-13	28

Other expenses include the following non-recurring expenses:

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Other	-	-1
Other expenses	0	-1

Current year the Group has no transformation or restructuring costs.

8 NET FINANCE COSTS

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Interest income from cash pool	1	11
Other interest income	17	-0
Finance income	18	11
Interest expense on cash pool	-89	-75
Interest expense on lease liabilities	-225	-240
Other interest expense	-8	-5
Finance cost	-321	-320
Total net finance costs	-304	-308

See note 18 for further details regarding the interest calculation on the lease liability and note 16 for further details about the cash pool. Other interest income comprises interest on guarantees issued in favour of group companies in the UK where the Group receives a guarantee provision of 0,5%. Further details outlined in note 26.

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 2021	Year ended 30 April 2020
Current tax		
Current tax on profits for the year	146	215
Tax effect on group contribution distributed (Norway)	233	44
Deferred tax income	-	0
Decrease/(increase) in deferred tax assets	-124	6
(Decrease)/increase in deferred tax liabilities	2	23
Deferred tax on equity items	46	-5
Total income tax expense	303	283

The Group gives a group contribution to holding company Dixons Stores Group Retail Norway AS and Elkjøp holdco 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 2021	Year ended 30 April 2020
Net income before tax	1 551	1 117
Expected income tax assessed at the tax rate for the Parent company 22%	341	246
Adjusted for tax effect of the following items:		
Permanent differences	4	9
Effect of change in tax rate	-2	0
Prior year adjustment	-8	-
Effect from currency effects and other items	-31	28
Total income tax expense for operations	303	283
Effective income tax rate	19,6%	25,3%

The effective tax rate on profit before tax of 19.6% (2019/2020: 25.3%) has declined due to currency effects, changes in statutory tax rates in the Group and a prior year adjustment.

Deferred tax

Specification of effects of temporary differences:

NOK in million	30 April 2021	30 April 2020
Intangible assets	-139	-175
Tangible assets	10	15
Derivatives including cash flow hedges	42	-63
Swedish P-funds	-54	-52
Other temporary differences	94	64
Tax losses carried forward (Sweden)	0	26
Total deferred tax liability	-47	-185
Whereof:		
Presented as deferred tax asset	136	12
Presented as deferred tax liability	-183	-197
Deferred tax asset (+) / liability (-)	-47	-185





Movements in deferred tax:

NOK in million	30 April 2021	30 April 2020
Carrying amount net deferred tax assets (+)/ liabilities(-) at 1 May	-185	-132
Recognised as income/expense (-) in income statement	122	-29
Effect from currency effects and other items	16	-24
Carrying amount net deferred tax assets (+)/ liabilities(-) at 30 April	-47	-185

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

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Derivatives	46	-5
Total	46	-5

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. Goodwill does not generate cash flows independently of other assets or groups of assets and is allocated to the cash-generating units (defined below) expected to benefit from the synergies of the combination that gave rise to the goodwill.

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 recoverable amount of the group of CGUs to which the goodwill relates, at the level at which this is monitored by management. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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 2021	Year ended 30 April 2020
At beginning of period	1 193	1 083
Additions	-	2
Foreign exchange	-85	108
At the end of the period	1 108	1 193

Carrying value of goodwill

The components of goodwill comprise the following segments:

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Norway	461	461
Sweden	12	13
Denmark	594	672
Finland	41	46
Total	1 108	1 193

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;
- judgement is involved in determining what constitutes a CGU. Management considers that the CGU for impairment testing purposes is a segment as the stores are managed on a portfolio basis within each segment and not as single stores;
- 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 budgets for 2021/22 together with a five-year strategic plan. These projections have taken into account 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 expenditures 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.

Given the global political and economic uncertainty resulting from the Covid-19 pandemic, the cash flows have been adjusted to represent management's best estimate of the economic conditions that will exist over the five-year period. In forming these assumptions, management have incorporated guidance from the

governments in which each business unit operates and readily available external market information.

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 2021		30 April 2020	
	Growth rate beyond five years	Pre-tax discount rate	Growth rate beyond five years	Pre-tax discount rate
Norway	2.0%	7.6%	2.0%	7.6%
Sweden	2.3%	7.6%	1.3%	7.6%
Denmark	2.0%	7.6%	2.0%	7.6%
Finland	1.5%	7.6%	1.5%	7.6%

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.

II 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 overhead. 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 the assets on a straight-line basis between three and eight years and is recognised in the income statement in the line item amortisation and depreciation.

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. When assets are to be taken out of use, an impairment charge is levied. When 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 conclusion that the net book value is not supportable, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

NOK in million	30 April 2021	30 April 2020
	Software and licences	Software and licences
Balance at beginning of the year	648	410
Additions	329	409
Amortisation	-143	-169
Disposal	-11	-4
Foreign exchange	-1	3
Balance at end of the year	823	648
Cost	1 830	1 558
Accumulated amortisation	-1 007	-909
Balance at end of the year	823	648
Amortisation period	3-8 years	3-7 years

Additions consists of capitalised development costs for systems where core systems are amortised over eight years. Software and licences include assets with a cost of NOK 185 million in 2020/2021 (NOK 334 million in 2019/2020) on which amortisation has not been charged as the assets have not yet been brought into use. The Group has no significant R&D expenses.

12 PROPERTY, PLANT & EQUIPMENT

Accounting policies

Property, plant & equipment is 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 on a straight-line basis from the date the asset was brought into use or is capable of being used.

Property, plant & equipment is assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the net book value is not supportable. When assets are to be taken out of use, an impairment charge is levied. When property, plant & equipment form part of a separate cash generating unit, such as a store or group of stores, and business indicators exist which could lead to the conclusion that the net book value is not supportable, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

NOK in million	30 April 2021		30 April 2020	
	Fixtures, fittings and other equipment	Total	Fixtures, fittings and other equipment	Total
Balance at beginning of the year	975	975	901	901
Additions	268	268	280	280
Depreciation	-322	-322	-302	-302
Disposal	-10	-10	-8	-8
Foreign exchange	-60	-60	106	106
Balance at end of the year	851	851	975	975
Cost	2 904	2 904	3 044	3 044
Accumulated depreciation	-2 053	-2 053	-2 069	-2 069
Balance at end of the year	851	851	975	975
Depreciation period	3-10 years		3-10 years	

For the year ended 30 April 2021 the Group had a capital commitment of NOK 0 million (2019/2020 NOK 7 million) related to its investments.

The Group has no restrictions on title, and property, plant and equipment pledged as security for liabilities.

13 RIGHT-OF-USE ASSETS

Accounting policies

The Group's leasing activities predominantly relate to retail store properties and distribution properties. The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group

recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (which comprise IT equipment and small items of office furniture). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease with no corresponding right-of-use asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received, any initial

direct costs and any dilapidation costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Right-of-use 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 as further described above. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

NOK in million	30 April 2021			30 April 2020		
	Land and buildings	Vehicles, equipment and other	Total	Land and buildings	Vehicles, equipment and other	Total
Balance at beginning of the year	4 702	42	4 744	4 584	41	4 625
Additions	437	14	451	523	18	540
Depreciation	-900	-19	-919	-848	-21	-869
Disposal	-55	-1	-56	-	-	-
Foreign exchange	-262	-3	-265	443	5	448
Balance at end of the year	3 922	34	3 955	4 702	42	4 744
Cost	5 599	62	5 661	5 602	64	5 666
Accumulated depreciation	-1 677	-28	-1 706	-900	-22	-922
Balance at end of the year	3 922	34	3 955	4 702	42	4 744

Lower of remaining lease term or economic life

0-12 years

0-5 years

0-13 years

0-6 years

Depreciation method

Linear

Linear

Linear

Linear

14 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 costs and related overhead that has 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 when appropriate.

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Finished goods and goods for resale	5 610	5 207
Provision for obsolete inventories	-161	-260
Balance at end of the year	5 449	4 947

15 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, and receivables which involve a contractual right to receive cash from external parties.

Trade receivables are recognised initially at the amount of consideration that is unconditional. Trade receivables are generally due for settlement within 30 days and therefore classified as current.

At initial recognition, the group measures other financial assets at fair value.

The majority of trade and other receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

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) model. 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.

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 2021	Year ended 30 April 2020
Business to Business	278	253
Franchise debtors	348	370
Total	626	622

Ageing of the areas of credit risk is set out in the tables below:

	Year ended 30 April 2021		
	Gross amounts recognised in financial assets	Weighted average loss rates	Expected credit losses
Not yet due	499	0,8%	4
0-90 days	85	4,2%	4
91-180 days	12	77,3%	10
180+ days	29	84,8%	25
Total	626		42

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

The ECL rates were subject for review due to Covid-19. The Group has reviewed losses, changes in receivables past due and mitigating initiatives to reduce risk and have concluded that the current ECL rates are representative and cover the increased risk of credit losses caused by the pandemic.

Specification of trade and other receivables

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Trade receivables	1 100	1 360
Expected credit loss	-44	-32
Prepayments	232	160
Other receivables	382	547
Accrued income	271	196
Total	1 942	2 232
Non-current	28	37
Current	1 914	2 195
Total	1 942	2 232

NOK in million	30 April 2021			30 April 2020		
	Gross trade receivables	Provision	Net trade receivables	Gross trade receivables	Provision	Net trade receivables
Ageing of gross trade receivables and provisions:						
Not yet due	974	-4	970	1 028	-3	1 025
Past due:						
Under two months	65	-1	63	261	-1	260
Two to four months	31	-3	28	26	-2	24
Over four months	31	-36	-5	44	-25	19
Total	1 100	-44	1 056	1 360	-32	1 328

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

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Opening balance	-32	-30
Charged to the income statement	-11	-12
Receivables written off as irrecoverable	-2	11
Closing balance	-44	-32

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.

16 CASH POOL

The Group is a part of its parent, Dixons Carphone plc's, cash pool arrangement. The cash pool agreements are a combination of zero balancing and notional pooling arrangements. All entities in the Group have individual agreements with Dixons Carphone plc, whereby Dixons Carphone plc has the head account against the bank. The cash pool balances are presented as an intercompany receivable or payable. The arrangement is subject to interest calculations based on the arm's length principle. An appropriate floating interest rate including a margin element is calculated and applied consistently.

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

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Cash pool receivable	3 706	3 900
Cash pool liability	-77	-1 753
Net balance	3 629	2 147

17 TRADE AND OTHER LIABILITIES

Accounting principles

Trade and other payables (excluding derivative financial liabilities) are initially recorded at fair value and subsequently measured at amortised cost.

Where the Group has the right and intention to offset in relation to financial assets and liabilities under IAS 32, these are presented on a net basis.

Contract liabilities predominantly relate to the sale of customer support agreements. Revenue is recognised in full, as each performance obligation is satisfied under the contracts with the customer. Where consideration is received in advance of the performance of the obligations being satisfied, a contract liability is recognised. Due to the cancellation options and customer refund clauses, contract terms have been assessed to be a series of day to day contracts with revenue recognised as performed.

Specification of trade and other payables:

NOK in million	Year ended 30 April 2021		Year ended 30 April 2020	
	Current	Non-current	Current	Non-current
Trade payables	5 630	-	4 700	-
Other taxes and social security	1 326	-	1 973	-
Contract liabilities	786	17	730	8
Other current payables	534	-	502	-
Accruals	772	73	682	12
Balance at end of the year	9 048	89	8 587	20

The carrying amount of trade and other payables approximates their fair value. The reduction in Other taxes and social security are mainly driven by changes

in payment terms for social security and VAT in relation to the prior financial year's Covid-19 relief.

Contract liabilities

Movements in the contract liabilities balance are as follows:

NOK in million	Year ended 30 April 2021	Year ended 30 April 2020
Opening balance	738	551
Revenue recognised in the period that was included in the opening balance	-661	-504
Revenue recognised in the period from sales in the year	-17 981	-8 222
Increase due to money owed/received in the year	18 706	8 913
Closing balance	802	738

The above reconciliation shows the movement from opening to closing balance. The reduction in the contract liability balance due to amounts recognised as revenue within the year that were included in

the balance at the start of the year have been offset by new sales made and consideration received in advance of satisfying the performance obligations.



18 LEASE LIABILITY

Accounting principles

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's weighted average incremental borrowing rate and subsequently held at amortised cost in accordance with IFRS 9.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.



Overview of lease liabilities:

NOK in million	30 April 2021	30 April 2020
Analysed as:		
Current	972	1 098
Non-current	3 044	3 721
Total lease liabilities	4 017	4 818

Total undiscounted future committed payments due are as follows:

NOK in million	30 April 2021	30 April 2020
Amounts due:		
Year 1	1 013	1 139
Year 2	898	978
Year 3	797	884
Year 4	586	787
Year 5	466	560
Onward	958	1 346
Total undiscounted future committed payments	4 717	5 694

NOK in million	30 April 2021	30 April 2020
Summary of the lease liabilities in the financial statements:		
Opening balance	4 818	4 557
New lease liabilities recognised in the year	398	551
Cash payments for the principal portion of the lease liability	-1 158	-960
Cash payments for the interest portion of the lease liability	225	240
Currency exchange differences	-266	429
Total lease liabilities	4 017	4 818
Expensed variable payments linked to performance or use		
- Expenses related to contracts with exception for short term leases	37	78
- Expense relating to variable lease payments not included in the measurement of the lease liability	12	13
- Expenses related to contracts with exception for low value assets (short term contract excluded)	0	0

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have any significant residual value guarantees related to its leases to disclose.

19 DEFERRED AND CONTINGENT CONSIDERATION

Accounting principles

Contingent consideration arrangements are initially measured at fair value and remeasured at each balance sheet date to fair value. 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.

Earn-out consideration

The Group has an earn-out consideration in relation to the acquisition of the Epoq kitchen business in 2011 of NOK 19 million, which is payable in cash (corresponding figures are NOK 37 million in 2019/2020). The earn-out is contingent on the performance of the Epoq kitchen business against earnings growth targets over a period of up to 10 years

from the acquisition date. Expected cash outflows are estimated based on the terms of the purchase contract and the entity's knowledge of the kitchen business and how the current economic environment is likely to impact it. The Group has historically not discounted liabilities when the impact is not material.

NOK 19 million is classified as a current liability (2019/2020 NOK 17 million) and NOK 0 million is classified as a non-current liability (2019/2020 NOK 21 million).

20 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 million	30 April 2021					30 April 2020				
	Re-organisation	Sales	Property	Share options	Total	Re-organisation	Sales	Property	Share options	Total
At beginning of period	5	43	1	96	145	37	47	3	28	115
Adjustment on initial application of IFRS 16	-	-	-	-	-	-25	-	-	-	-25
Additions	1	111	28	17	157	-	113	20	68	200
Released in the period	-	-	-	-	-	-	-	-	-	-
Utilised in the period	-1	-115	-21	-1	-137	-7	-117	-22	-	-146
At end of period	5	39	8	112	165	5	43	2	96	144
Analysed as:										
Current	1	21	7	78	107	1	23	1	6	31
Non-current	4	19	2	34	58	4	19	-	90	113
	5	39	8	112	165	5	43	1	96	144

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

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. The share option provision relates to the Group's participation in Dixons Carphone plc's share-based arrangements and the provision is based on the fair value of options using a Monte Carlo model.

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

21 ADDITIONAL EQUITY INFORMATION

Paid in capital

NOK in million	Numer of shares	Share capital	Other paid in capital	Total Paid in capital
At 1 May 2019	35 800 050	72	107	179
At 30 April 2020	35 800 050	72	107	179
At 30 April 2021	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.

As of 30 April 2021, Elkjørp Nordic AS is 100% owned by Elkjørp Holdco AS and is included in the consolidated statements of Dixons Carphone plc which is listed on the London Stock Exchange.

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 2019	-2	-15	83	3	-18	52
Changes during the year	279	-	112	-	-25	366
Recycled to profit and loss from comprehensive Income			-94		21	-73
At 30 April 2020	277	-15	102	3	-22	345
Changes during the year	-220	-	-443	-	100	-563
Recycled to profit and loss from comprehensive Income			238		-54	185
At 30 April 2021	58	-15	-103	3	24	-33

Translation reserve

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

Pension remeasurement reserve and taxes on pension remeasurements reserve

These reserves include the effect of re-measurement of the pension obligation arising due to changes in assumptions, such as the discount rate, long-term demographic trends and the related tax effects.

Cash flow hedge reserve and taxes on the cash flow hedge reserve

These reserves relate to cash flow hedges measured at fair value through other comprehensive income until recycling, including its tax effects, see also note 22.

A group contribution to the holding company Dixons Stores Group Retail Norway AS of NOK 60 million and to Elkjøp Holdco AS of NOK 1 000 million are proposed but had not been distributed as of 30 April 2021 and are subject to shareholders' approval at the forthcoming Annual General Meeting.

22 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 19.

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 derived 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.

Management considers 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 2021	Year ended 30 April 2020
Cash pool assets (1)	3 706	3 900
Cash and cash equivalents (1)	334	325
Trade and other receivables excluding derivative financial assets (1)	1 914	2 195
Derivative assets (2)	240	897
Derivative liabilities (4)	-433	-609
Cash pool liabilities (3)	-77	-1 753
Trade and other liabilities - current (3)	-9 048	-8 587
Trade and other liabilities - non current (3)	-89	-20
Deferred and contingent consideration - current (4)	-19	-17
Deferred and contingent consideration - non-current (4)	-	-21

(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, 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 23 for information about derivatives.

Foreign exchange risk

For the Group, the foreign exchange risk exposure is in the Norwegian entity Elkj p Nordic AS, which has NOK as its functional currency.

Elkj p 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 Krona fluctuations. Further, the Group's revenue is exposed to fluctuations in Swedish Krone, Danish Krona 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 2021	Year ended 30 April 2020
	Effect on Profit and Loss	Effect on Profit and Loss
+/-10% movement in the US dollar exchange rate	36	18
+/-10% movement in the Euro exchange rate	457	453
+/-10% movement in the Swedish Krona exchange rate	48	99
+/-10% movement in the Danish Krona exchange rate	83	80

Interest rate risk

The Group's interest rate risk arises primarily on cash pool receivables and payables, all of which are at floating rates of interest and which therefore expose the Group to cash flow interest rate risk. The floating rates used in the cash pool 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. Group policy permits the use of long-term interest rate derivatives in managing the risks associated with movements in interest rates.

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 the parent company Dixons Carphone plc arrangement that has committed bank facilities, excluding overdrafts repayable on demand, totalling  551 million (2019/20:  1,360 million). As part of exploring the option of a partial IPO, listing a minority stake in 2021, the Group has entered into a multicurrency revolving loan facility of NOK 4 035 million.

All receivables and payables within the Group are current. There are no monetary long-term assets or liabilities, except for the earn-out agreement related to Epoq, see note 19.

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.

The Group’s trade receivables also include balances due from sales to franchisees, business to business consumers and consumer credit receivables. The credit procedures are centralised, and customers must pass an external credit rating to be granted a credit limit. 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 15.

The credit risk on cash and cash equivalents and derivative financial instruments is 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 £1,360 million bank facilities, which are provided by ten 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.

23 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITY

Accounting principles

Hedge accounting

The Group uses derivative financial instruments to protect from volatility in foreign exchange rates on its foreign currency inventory 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 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’s 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’s income statement within financing costs. For hedges of forecasted 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 in time 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 well as 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.

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

Designated	30 April 2021			30 April 2020		
	Notional values			Notional values		
Currency million	Buy	Sell	Fair Value in NOK	Buy	Sell	Fair Value in NOK
DKK (04.05.21 - 06.04.22)	-	1 472	84	-	1 403	-159
EUR (04.05.21 - 06.04.22)	642	-	-267	649	-	395
SEK (04.05.21 - 06.04.22)	-	3 237	118	-	3 190	-223
USD (04.05.21 - 06.04.22)	98	-	-38	91	-	90
			-103			102
Not designated	30 April 2021			30 April 2020		
Currency million	Buy	Sell	Fair Value in NOK	Buy	Sell	Fair Value in NOK
DKK (04.05.21 - 06.04.22)	-	405	10	-	430	-30
EUR (04.05.21 - 06.04.22)	313	5	-108	310	-	231
SEK (04.05.21 - 06.04.22)	-	1 246	14	-	1 025	-32
USD (04.05.21 - 06.04.22)	44	-	-6	31	-	17
			-90			186

24 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 amount of cash which has been received from customers but which has not yet been deposited with the bank are included as cash.

This includes amounts which are no longer on Group premises, but have not yet reached the bank (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.



25 MANAGEMENT REMUNERATION

Compensation earned by key management is as follows:

Year ended 30 April 2021:

NOK 1 000	Salary, bonus and other short-term benefits	Pensions	Post-employment benefits	Share options	Share options		
					Issued	Exercised	Closing balance
Total key management compensation	28 437	2 541	2 159	3 503	1 679 080	345 168	3 532 314
Erik G Sønsterud (CEO)	4 131	489	0	1 737	759 363	39 470	1 675 548

Year ended 30 April 2020:

NOK 1 000	Salary, bonus and other short-term benefits	Pensions	Post-employment benefits	Share options	Share options		
					Issued	Exercised	Closing balance
Total key management compensation	29 821	2 135	10 091	466	1 184 574	0	2 286 853
Erik G Sønsterud (CEO)	6 105	562	0	466	531 458	0	955 655

Key management are:

	Per 30 April 2021	Per 30 April 2020
Erik Gunset Sønsterud	x	x
Marianne Nøkleby	x	x
Per Erik Wernersson	x	x
Stein Riibe	x	x
Morten Johnsen		x
Andreas Westgaard	x	x
Morten Syversen	x	x
Lill Beate Pedersen	x	

Board members are:

	Per 30 April 2021	Per 30 April 2020
Jonathan Peter Mason	x	x
Marianne Nøkleby		x
Erik Gunset Sønsterud	x	x
Per Erik Wernersson	x	x
Lill Beate Pedersen	x	
Andreas Westgaard	x	

The Board members are employed by the Group or by its owners and are not receiving any fees for the Board assignment.

26 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 25 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 2021 NOK million	Year ended 30 April 2020 NOK million
Purchases of goods from parent companies	DSG Retail Ltd	536	646
Shared service center	Dixons Carphone CoE s.r.o.	73	64
IT recharges (service and maintenance fee)	DSG Retail Ltd	22	24
Interests income	Dixons Carphone plc	1	11
Interests expense	Dixons Carphone plc	10	30
Other interest income guarantee	Dixons Carphone plc	17	-
Group contribution	Dixons Stores Group Retail Norway AS	156	195

Balances	Counterpart	Year ended 30 April 2021 NOK million	Year ended 30 April 2020 NOK million
Receivable	DSG Retail Ltd	99	92
Cashpool receivable	Dixons Carphone plc	3706	3 900
Amounts receivable to Dixons		3 805	3 992
Cashpool payable	Dixons Carphone plc	-77	-1 753
Payable	Dixons Retail SSC s.r.o.	-8	-6
Payable	Carphone Warehouse Europe Ltd	-1	-
Payable	DSG Retail Ltd	-51	-65
Amounts owed to Dixons		-135	-1 823

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

Guarantees	Year ended 30 April 2021 NOK million	Year ended 30 April 2020 NOK million
Facility and pension guarantee	3 300	-

The Group companies Elkjørp Nordic AS and Elkjørp Norge AS have issued guarantees in favor of group companies in the UK, partly as security for liabilities in loan facilities and partly as security for pension obligations. The guarantee amount represents the maximum liability for Elkjørp Nordic AS and Elkjørp Norge AS and will be terminated when certain conditions are met. Elkjørp Nordic AS and Elkjørp Norge AS will receive a guarantee provision from the group companies in the UK of 0.5% on the overall NOK value of the guarantee amount.

27 April 2021, new loan facilities were entered into, divided between a reduced UK facility and a multicurrency revolving loan facility of NOK 4 035 million with Elkjørp Nordic AS as borrower. The guarantees are maintained, and the same applies to the maximum liability referred to above. The new facilities have not been utilized at year-end.

27 SUBSIDIARIES

The Group consists of the following subsidiaries, all consolidated:

Subsidiaries	Place of incorporation	Ownership share
Elkjørp Norge AS	Oslo, Norway	100%
Elgiganten AB	Kista, Sweden	100%
Elgiganten Logistik AB	Jørnkøping, Sweden	100%
Elgiganten AS	Copenhagen, Denmark	100%
Gigantti OY	Helsinki, Finland	100%
CCC Nordic AS	Copenhagen, Denmark	100%
Elcare Nordic AS	Kongsvinger, Norway	100%
Electrocure Nordic AB	Växjö, Sweden	100%
Elcare Nordic OY	Vantaa, Finland	100%
Epoq Logistics DC k.s.	Modice, Czech Republic	99%

28 EVENTS AFTER THE BALANCE SHEET DATE

In the period between 30 April 2021 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.

The impact of the Covid-19 pandemic on the Group's operations is discussed within note 2 Transactions and events which summarises the impact.

29 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 2020. 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 whose impact is not deemed to be material:

- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 16 Covid-19 Related Rent Concessions

For the period covered by this report, no standards and interpretations are early adopted.





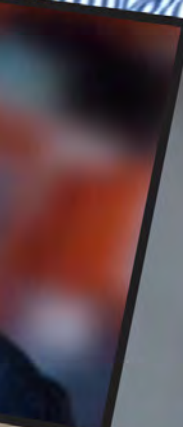
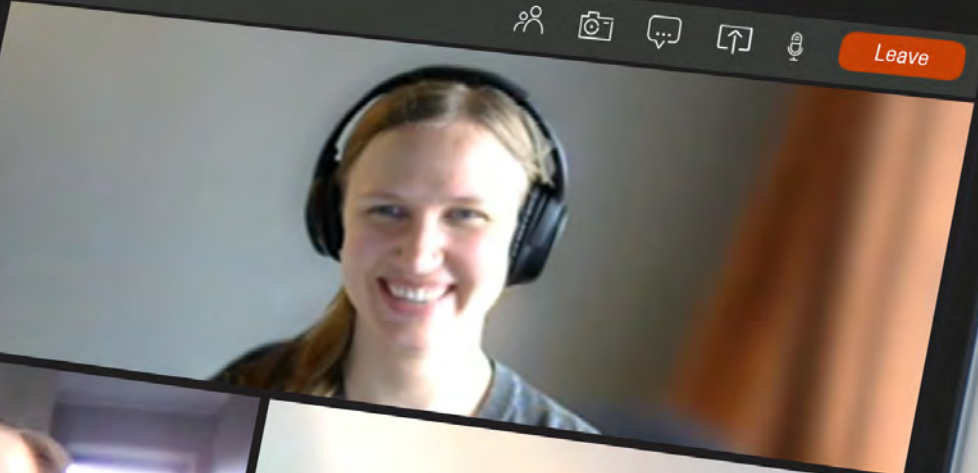
ANNUAL ACCOUNTS

ELKJØP NORDIC AS, 2020/2021

Annual Report Finance Team



Leave



INCOME STATEMENT

all numbers in '000 NOK

NOTE	REVENUES AND OPERATING EXPENSES	2020/2021	2019/2020
2, 16	Operating revenues	40 849 013	32 628 005
	Operating revenues	40 849 013	32 628 005
16	Cost of goods sold	37 956 689	30 139 950
3,10,19	Wages and salaries	666 595	632 866
4,5	Depreciations and amortisation	138 771	156 722
3	Other operating expenses	1 513 531	1 191 014
	Operating expenses	40 275 586	32 120 553
	Operating profit	573 427	507 453
FINANCIAL INCOME AND EXPENSES			
6	Income from investments in subsidiaries	803 106	569 021
16	Interest received from group companies	279	1 328
17	Financial income	1 759 255	1 034 420
16	Interest paid to group companies	-6 322	-25 562
	Interest expenses	-80 353	-46 517
17	Financial expenses	-1 752 980	-1 008 257
	Net financial items	722 984	524 433
	Profit before tax	1 296 411	1 031 886
12	Taxes	217 771	181 225
	Profit after tax	1 078 640	850 661
ALLOCATION			
9	Transferred to/from other equity	251 840	-205 339
9	Dividend	0	900 000
9	Group contribution (net after tax)	826 800	156 000
	Total allocation	1 078 640	850 661

BALANCE SHEET AS OF 30 APRIL

all numbers in '000 NOK

NOTE	ASSETS	30.04.2021	30.04.2020
	Fixed assets		
	Intangible assets		
12	Deferred tax asset	88 701	0
4	Other intangible assets	812 395	628 457
	Total intangible assets	901 096	628 457
	Tangible fixed assets		
5	Machinery and equipment	4 870	6 435
5	Fixtures and fittings	6 941	10 846
	Total tangible fixed assets	11 811	17 281
	Financial non-current assets		
6	Investment in subsidiaries	1 273 231	1 273 231
	Other long term receivables	1 972	2 267
	Total financial non-current assets	1 275 203	1 275 499
	Total fixed assets	2 188 110	1 921 237
	Current assets		
7	Inventories	2 335 715	1 925 982
	Receivables		
	Accounts receivables	493 956	455 968
11	Receivables from group companies	3 646 753	3 887 427
18	Other receivables	606 077	1 193 746
	Total receivables	4 746 786	5 537 140
	Total current assets	7 082 501	7 463 122
	TOTAL ASSETS	9 270 610	9 384 359

BALANCE SHEET AS OF 30 APRIL

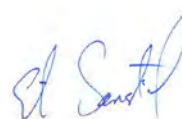
all numbers in '000 NOK

NOTE	EQUITY AND LIABILITIES	30.04.2021	30.04.2020
	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	1 980 064	1 887 865
	Total retained earnings	1 980 064	1 887 865
	Total equity	2 158 701	2 066 502
	Liabilities		
	Long term obligations		
10	Pension obligations	4 003	6 189
12	Deferred tax liability	0	15 902
14	Other long term obligations	19 321	37 736
	Total long term obligations	23 324	59 827
	Current liabilities		
	Accounts payable	4 930 898	5 604 434
12	Income tax payable	42 633	167 587
	Public duties payable	48 019	30 704
11	Short-term liabilities to group companies	1 145 574	447 229
14,18,19,20	Other short-term liabilities	921 461	1 008 075
	Total current liabilities	7 088 585	7 258 030
	Total liabilities	7 111 909	7 317 856
	TOTAL EQUITY AND LIABILITIES	9 270 610	9 384 359

Oslo, 25. June 2021



Jonathan Peter Mason
Chairman of the board



Erik Gunset Sønsterud
Managing Director / Member of the Board



Per Erik Wernersson
Member of the Board



Lill Beate Pedersen
Member of the Board



Andreas Ørnholt Westgaard
Member of the Board

CASH FLOW STATEMENT

all numbers in '000 NOK

CASH FLOWS FROM OPERATIONS:	2020/2021	2019/2020
Profit on ordinary activities before taxation	1 296 411	1 031 886
Taxes paid for the period	-169 102	-87 589
Depreciation and amortisation	138 771	156 722
Gain/loss from sale of fixed assets	12 779	-11 178
Pension expenses	-2 186	-2 744
Change in inventory	-409 733	150 591
Change in accounts receivables	-37 989	-243 969
Change in accounts payables	-673 535	1 666 204
Changes in intercompany balances	-12 062	-1 311 573
Changes in other current assets and other liabilities	295 583	20 193
Net cash flows from operations	438 939	1 368 544
 CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Outflows due to purchases of fixed assets	-2 160	-4 284
Outflows due to purchases of intangibles	-327 858	-389 914
Net cash flows from investment activities	-330 018	-394 197
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in cash pool	-267 759	-74 192
Payments of dividend	0	-900 000
Payments in due to group contribution	358 840	249 846
Payments out due to group contribution	-200 000	-250 000
Net cash flows from financing activities	-108 919	-974 345
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



NOTES TO THE ACCOUNTS 2020/2021

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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 IFRS 9 'Financial Instruments' has been applied. 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 hedging reserves. The cumulative gain or loss related to hedging instruments is recycled from equity into the income statement during the period at which the hedged item impacts the income statement. Any ineffectiveness is recognised immediately in the income statement within financing costs.

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.

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% 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	2020/2021	2019/2020
Norway	14 745 017	10 420 669
Sweden	14 102 017	10 194 711
Denmark	4 495 916	6 905 735
Finland	6 928 671	4 726 018
Other	577 392	380 872
Total	40 849 013	32 628 005

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	2020/2021	2019/2020
Payroll	552 850	489 566
Social security tax	55 467	53 461
Pension costs (see note 10)	27 978	24 296
Other benefits	30 299	65 544
Total	666 595	632 866
Average number of employees during the year	397	352

Directors' remuneration	CEO
Payroll	3 802
Bonus	333
Pension costs	490
Options	1 737
Other benefits	213

No compensation is paid to the Board of Directors in 2020/2021. 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:

	2020/2021	2019/2020
Statutory audit	1 329	1 305



4 INTANGIBLE ASSETS (AMOUNTS IN 1.000)

	Software	Total
Cost at 1 May 2020	1 435 242	1 435 242
Additions	327 858	327 858
Disposals	39 270	39 270
Cost at 30 April 2021	1 723 829	1 723 829
Acc. amortisation at 1 May 2020	-806 785	-806 785
Amortisation retirement for the year	26 533	26 533
Current year amortisation	-131 182	-131 182
Sum accumulated amortisation 30 April 2021	-911 435	-911 435
Balance at 30 April 2021	812 395	812 395
Current year amortisation	131 182	131 182
Economic life	3-8 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 2020	2 611	9 669	23 153	35 433
Additions	121	1 279	760	2 160
Disposals	0	1 657	128	1 785
Cost at 30 April 2021	2 733	9 291	23 784	35 807
Acc. depreciation at 1 May 2020	-521	-5 323	-12 307	-18 151
Depreciation retirement for the year	0	1 657	87	1 744
Current year depreciation	-264	-2 701	-4 623	-7 589
Sum accumulated depreciation 30 April 2021	-785	-6 368	-16 843	-23 996
Balance at 30 April 2021	1 947	2 923	6 941	11 811
Current year depreciation	264	2 701	4 623	7 589
Economic life	5-10 years	3-5 years	5 years	
Depreciation method	Straight-line	Straight-line	Straight-line	
Annual lease of non-capitalised fixed assets			1 006	
Lease term			1-5 years	



GAMING
WORKSTATION

aminda

LEGION
LEGION

REF
GAM

STRIMMING
PÅ NESTE NIVÅ

799,-

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)
Elkjør Norge AS	Oslo	20/21	100%	375 977	160 927	151 548
Elgiganten AB	Kista	20/21	100%	252 459	406 931	194 940
Elgiganten Logistik AB	Jönköping	20/21	100%	17 225	29 792	1 065
Elgiganten AS	Copenhagen	20/21	100%	103 315	367 237	687 462
Gigantti OY	Helsinki	20/21	100%	6 121	26 846	111 465
CCC Nordic AS	Copenhagen	20/21	100%	9 263	43 862	-
Elcare Nordic OY	Vantaa	20/21	100%	253	1 002	6 142
Elcare Nordic AS	Kongsvinger	20/21	100%	-2 818	35 253	32 098
Electrocare Nordic AB	Växjö	20/21	100%	249	4 014	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 subsidiaries relates to group contribution from Elkjør Norge AS, dividend from Elcare Nordic Oy, Electrocare Nordic AB, Elgiganten AB, Elgiganten Logistik AB, and Epoq Logistics DC.



7 INVENTORIES (AMOUNTS IN 1.000)

	2020/2021	2019/2020
Goods for resale	2 351 492	1 948 183
Provision for obsolete inventories	-15 777	-22 201
Total	2 335 715	1 925 982

8 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital in the company at 30 April 2021 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 Elkjør Holdco AS which have 100% of the voting rights in Elkjør Nordic AS. Elkjør Holdco AS is a subsidiary of Dixons Carphone plc.

9 EQUITY (AMOUNTS IN 1.000)

	Share capital	Share premium	Other paid-in capital	Other equity	Total
Equity at 1 May 2020	71 600	106 031	1 006	1 887 865	2 066 502
Profit/(loss) of the year				1 078 640	1 078 640
Value change forward contracts				-159 641	-159 641
Group contribution paid (after tax)				-826 800	-826 800
Equity at 30 April 2021	71 600	106 031	1 006	1 980 064	2 158 701

The company has paid group contribution (after tax) of 46 800 TNOK to Dixons Stores Group Retail Norway AS and 780 000 TNOK to Elkjøp Holdco AS.

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 tjenstepensjon"). The company's pension plan must meet the requirements of this legislation. The company has a defined contribution pension plan covering 367 employees. During this year, the company has paid TNOK 18 469 (2019/2020: TNOK 15 701) to the pension plan and the premium fund is recognised in the balance sheet with face value of TNOK 0 (2019/2020: TNOK 0).



11 RELATED PARTY TRANSACTIONS AND BALANCES (AMOUNTS IN 1.000)

Related party balance items

	Current receivables		Current liabilities	
	30.04.21	30.04.20	30.04.21	30.04.20
Debtors group companies	3 041 120	3 525 323	0	0
Bank accounts in group cash pool	105 025	0	0	162 735
Group contribution	493 788	358 840	1 060 000	200 000
Other receivables/liabilities	6 819	3 264	85 574	84 495
Group companies	3 646 753	3 887 427	1 145 574	447 229

Internal debtors and creditors are presented with net amounts.

12 INCOME TAX EXPENSE (AMOUNTS IN 1.000)

Specification of income tax expense:	2020/2021	2019/2020
Current income tax payable	44 148	77 057
Changes in deferred tax	-104 603	64 228
Changes in tax rate	0	0
Tax on group contribution	233 200	44 000
Change in temporary differences booked against equity	45 027	-4 059
Difference in tax from previous years	0	0
Tax on profit/(loss)	217 771	181 225

Specification of current income tax payable:

	2020/2021	2019/2020
This year's payable income tax expense	277 348	277 348
Income tax on given group contribution	-233 200	0
Tax credit for Swedish tax	-1 548	-1 548
Excess tax payable previous years	34	34
Prior year payable income tax	0	0
Current income tax payable in the balance sheet	42 633	275 833

Reconciliation from nominal to actual income tax rate:

	2020/2021	2019/2020
Profit before taxation	1 296 411	1 031 886
Estimated income tax according to nominal tax rate 22%	285 210	227 015
<u>The tax effect of the following items:</u>		
Dividends	-67 268	-45 522
Other permanent differences	29	62
Other	-200	-330
Income tax expense	217 771	181 225
Effective income tax rate	16,8%	17,6%

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

	2020/2021		2019/2020	
	Benefit	Liability	Benefit	Liability
Fixed assets	54 299	0	60 291	0
Inventories	15 777	0	22 201	0
Receivables	5 294	0	4 873	0
Pension liability	4 003	0	6 189	0
Provisions under NGAAP	121 170	0	103 314	0
Forward exchange contracts	192 983	0	0	288 018
Other differences	9 660	0	18 868	0
Total	403 187	0	215 736	288 018
Deferred tax benefit/liability	88 701	0	0	15 902
Net deferred benefit/liability in the balance sheet	88 701	0	0	15 902

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	2020/2021	2019/2020
Warranty provision	39 059	42 498

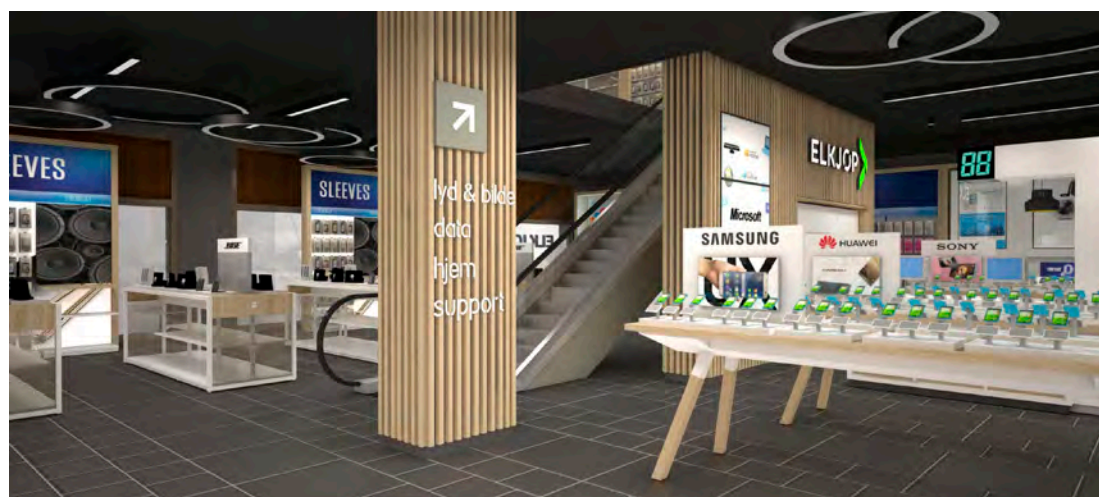
The company has issued guarantees for 116 rent contracts for its subsidiaries. The majority of these rent contracts relate to locations on which the subsidiaries operate its retail business.

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 30.04.21 is NOK 19,3 million.

15 LEASE OBLIGATIONS (AMOUNTS IN 1.000)

	2020/2021		2019/2020	
	Land/buildings	Other assets	Land/buildings	Other assets
Total undiscounted lease obligations				
Due within one year	23 759	655	22 874	713
Due between two and five years	86 671	350	85 230	511
Over five years	36 412	0	54 106	0
Total obligations	146 842	1 006	162 209	1 223

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



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	2020/2021	2019/2020
Sales of goods and services to group companies	40 223 588	32 211 214
Purchases of goods from parent companies	536 406	646 120
Intercompany interest income	279	1 328
Intercompany interest cost	6 322	25 562
Service center	17 758	15 107
Bookkeeping expenses	4 835	8 963
Handling Fees Central Distribution	778 267	666 008
Guarantees	2020/2021	2019/2020
Facility and pension guarantee	3 300 000	0

Elkjørp Nordic AS has issued guarantees in favor of group companies in the UK, partly as security for liabilities in loan facilities and partly as security for pension obligations. The guarantee amount represents the maximum liability for Elkjørp Nordic AS and will be terminated when certain conditions are met. The company will receive a guarantee provision from the group companies in the UK of 0,5% p.a. on the overall NOK value of the guarantee amount.

27 April 2021, new loan facilities were entered into, divided between a reduced UK facility and a multicurrency revolving loan facility of NOK 4 035 million with Elkjørp Nordic AS as borrower. The guarantees are maintained, and the same applies to the maximum liability referred to above. The new facilities have not been utilized at year-end.

17 FINANCIAL INCOME / FINANCIAL EXPENSES (AMOUNTS IN 1.000)

Financial income	2020/2021	2019/2020
Foreign exchange gain	1 751 001	1 034 400
Other	8 254	20
SUM	1 759 255	1 034 420
Financial expenses	2020/2021	2019/2020
Foreign exchange loss	1 751 718	1 007 249
Other	1 262	1 008
SUM	1 752 981	1 008 256



18 SPECIFICATION OF BALANCE SHEET ITEMS (AMOUNTS IN 1.000)

	2020/2021	2019/2020
Other receivables:		
VAT receivables	0	32 982
Other accruals/receivables	365 974	264 222
Forward exchange contracts	240 102	896 542
Other receivables	606 077	1 193 746
Other short-term liabilities:		
Vacation allowances	51 752	44 872
Warranty provision	39 059	42 498
Other accruals	397 565	312 181
Forward exchange contracts	433 085	608 523
Other short-term liabilities	921 461	1 008 075

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 TNOK 254 has been charged in the profit and loss statement for 2020/2021 relating to the share based program, and TNOK 46 434 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 2021

	Outstanding options at 1 May 2020	Granted	Lapsed/terminated	Exercised	Outstanding options at 30 April 2021	Weighted average exercise price
Erik Gunset Sønsterud, CEO	955 655	759 363	-	39 470	1 675 548	£ -
Other employees	3 239 358	2 003 861	855 315	414 748	3 973 156	£ -
Other employees (All Colleague Shareholder award)	365 349	47 112	37 595	-	374 866	£ -
Sum	4 560 362	2 810 336	892 910	454 218	6 023 570	£ -

Annual share-plan, 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.

Weighted average life of options outstanding at the end of the period: 8,6 years

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

Weighted average fair value of outstanding options at the end of the period: £1,0

Assumptions used:

	2020/2021
Exercise price	£nil
Expected option life	10 years
Weighted average share price	£0,91
Volatility	41%
Dividend yield	0% - 3,8%

20 FINANCIAL INSTRUMENTS

The company uses financial instruments to manage its financial risk.

SEK against NOK. The contracts are entered into on regular market terms and changes in value is booked against equity.

At year-end the company has 144 different forward exchange contracts with a net present value of TNOK -192 982. The company mainly hedges purchases in EUR and USD against NOK, and sales in DKK and

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:

Currency	Expiration date		Currency amount	
	Pay	Receive	Pay	Receive
DKK		04.05.21 - 06.04.22	0	1 876 846 000
EUR	04.05.21 - 06.04.22		954 908 000	5 000 000
SEK		04.05.21 - 06.04.22	0	4 483 035 000
USD	04.05.21 - 06.04.22		141 799 000	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 2021, 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 balance sheet as at 30 April 2021, the income statement, statement of comprehensive income, statement of changes in equity and 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 2021, 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 2021, 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.

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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 a true and fair view 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 true and fair view 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 scepticism 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 a true and fair view.
- 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 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, 25 June 2021
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.

Elkjørp Nordic AS is part of Dixons Carphone plc and 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 to adjust for transactions that are not part of our reporting to Dixons Carphone plc as this is the performance measure that Nordic management is measured on. Adjustments for current year is -47 million NOK (2019/2020: NOK 34 million). The adjustment is related to cut-off and use of different accounting measure for share options.

	2020/2021	2019/2020
Operating profit in Consolidated income statement	1 855	1 426
Adjustment of official accounting year to 445-year	-6	13
Share options	-41	20
Operating profit reported in 445-format	1 808	1 459

- **EBIT:** is short for earnings before interest and tax and represent operating profit adjusted for transformation and restructuring cost.
- **EBITDA** is short for earnings before interest, taxes, depreciation and amortisation and impairments and exclude transformation and restructuring cost.

- **Operating profit (EBIT) ex IFRS 16:** includes operating profit adjusted for IFRS 16 effects and represent our operating profit if IFRS 16 had not been implemented, respectively:

	2020/2021	2019/2020
Operating profit in Consolidated income statement	1 855	1 426
IFRS 16 effects	-137	-116
Operating profit (EBIT) ex IFRS 16 effects	1 718	1 310
Adjustments to 445-calender	-47	33
Operating profit (EBIT) ex IFRS 16 effects (445-year)	1 672	1 343

- **IFRS 16:** As a result of implementing IFRS 16, operating expenses will be lower and interest expense will be higher. The effect of IFRS 16 in operating profit is 137 million (2019/2020: 116 million) and 225 million (2019/2020: 240 million) in finance cost. Net effect is 88 million.
- **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. Reported figures are according to the 445-calender.
- **Asset/equity ratio** is total equity divided by total assets.
- **Revenue timing:** The 445-accounting year included one additional week in last financial year. To clarify comparison the following table will present relevant revenue figures;

Period	Revenue
FY19/20 - 52 weeks (445)	41,1 billion
FY19/20 - 53 weeks (445)	41,8 billion
FY19/20 - accounting year 01.05.19-30.04.20	41,3 billion
FY20/21 - 52 weeks (445)	49,8 billion
FY20/21 - accounting year 01.05.20-30.04.21	49,9 billion



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