



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 929 151 704
Organisasjonsform: Aksjeselskap
Foretaksnavn: WH SMITH NORWAY AS
Forretningsadresse: c/o CMS Kluge Advokatfirma AS
Bryggegate 6
0250 OSLO

Regnskapsår

Årsregnskapets periode: 05.04.2022 - 31.08.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ian Houghton
Dato for fastsettelse av årsregnskapet: 04.07.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 06.06.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue	1	56 497 641	
Other income			
Sum inntekter		56 497 641	
Kostnader			
Cost of goods sold	2	19 221 636	
Employee benefits expense	3	14 905 008	
Depreciation and amortisation expenses	4, 5, 6	1 716 617	
Other expenses	2, 3, 4	33 653 436	227
Sum kostnader		69 496 696	227
Driftsresultat		-12 999 055	-227
Finansinntekter og finanskostnader			
Other financial income		2 232	
Sum finansinntekter		2 232	
Annen rentekostnad	4	45 919	
Sum finanskostnader		45 919	
Netto finans		-43 688	
Ordinært resultat før skattekostnad		-13 042 743	-227
Income tax expense	7		
Ordinært resultat etter skattekostnad		-13 042 743	-227
Årsresultat	7, 8	-13 042 743	-227
Årsresultat etter minoritetsinteresser		-13 042 743	-227
Totalresultat		-13 042 743	-227
Overføringer og disponeringer			
Udekket tap		-13 042 743	-227



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Sum overføringer og disponeringer		-13 042 743	-227



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Software	5	3 244 797	
Utsatt skattefordel	7		
Sum immaterielle eiendeler		3 244 797	
Varige driftsmidler			
Equipment and other movables	6	15 530 380	
Right-of-use assets	4	2 398 932	
Sum varige driftsmidler		17 929 311	
Finansielle anleggsmidler			
Investering i datterselskap	2		
Investering i annet foretak i samme konsern	2		
Lån til foretak i samme konsern	2, 9		
Investeringer i tilknyttet selskap	2		
Lån til tilknyttet selskap og felles kontrollert virksomhet	2		
Sum anleggsmidler		21 174 109	0
Omløpsmidler			
Varer			
Sum varer	10	5 166 115	
Fordringer			
Accounts receivables	2, 9		
Other short-term receivables	11	3 510 167	
Konsernfordringer	9	47 048 735	
Sum fordringer		50 558 902	
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		4 704 366	24 204
Sum bankinnskudd, kontanter og lignende		4 704 366	24 204
Sum omløpsmidler		60 429 382	24 204



Balanse

Beløp i: NOK	Note	2023	2022
SUM EIENDELER		81 603 491	24 204
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	12	30 000	30 000
Annen innskutt egenkapital		9 000 000	
Sum innskutt egenkapital		9 030 000	30 000
Opptjent egenkapital			
Udekket tap		13 048 540	5 797
Sum opptjent egenkapital		-13 048 540	-5 797
Sum egenkapital	8, 14	-4 018 540	24 204
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9		
Langsiktig konserngjeld	9		
Lease liabilities	4	1 858 452	
Sum annen langsiktig gjeld		1 858 452	
Sum langsiktig gjeld		1 858 452	0
Kortsiktig gjeld			
Konvertible lån	4	538 043	
Leverandørgjeld		11 013 192	
Tax payable	7		
Public duties payable		3 981 890	
Kortsiktig konserngjeld	9	48 337 773	
Other current liabilities	13	19 892 682	
Sum kortsiktig gjeld		83 763 579	



Balanse

Beløp i: NOK	Note	2023	2022
Sum gjeld		85 622 031	0
SUM EGENKAPITAL OG GJELD		81 603 491	24 204



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 640004

Enheten

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årsregnskapet til selskapet: Forenklet IFRS

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Brønnøysundregistrene, 06.08.2024



Organisasjonsnr: 929 151 704
WH SMITH NORWAY AS

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WH SMITH NORWAY AS

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SUM EIENDELER		81 603 491	24 204



BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	12	30 000	30 000
Annen innskutt egenkapital		9 000 000	
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Gjeld

Langsiktig gjeld

Utsatt skatt	7		
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	9		
Langsiktig konserngjeld	9		
Lease liabilities	4	1 858 452	
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Sum kortsiktig gjeld		83 763 579	
Sum gjeld		85 622 031	0

SUM EGENKAPITAL OG GJELD		81 603 491	24 204
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Organisasjonsnr: 929 151 704
WH SMITH NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
40.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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The board of directors' report 2023 for WH Smith Norway AS

Activity

The company WH Smith Norway AS (hereinafter, the Company), was incorporated on 5 April 2022. Its registered office is located in Oslo.

The principal activity of the Company is the retail trade of food and beverage products, press, books, stationery, electronic equipment, travel accessories and souvenirs. The Company operates through retail outlets in Oslo Airport Gardermoen.

The Company and its direct parent company WH Smith Travel, Ltd. are integrated into the WH Smith Group, whose parent company is WH Smith plc. The registered office of WH Smith plc is located at Swindon, Greenbridge Road, SN3 3RX, Great Britain, the latter being the company that prepares the consolidated annual accounts. The consolidated financial statements of the group for the financial year 2023 have been published on November 9, 2023. A copy is available at: <https://www.whsmithplc.co.uk/investors/results-reports-and-presentations/annual-reports>.

The financial year ended 31 August 2023 is the first year of operation for the Company, commencing trading in March 2023 with the opening of its first store, with the last store opening in June 2023. During this initial trading period to 31 August 2023 the Company generated revenue of NOK56.5m and reports a loss of NOK13.0m, which includes pre-opening costs. The Company issued shares at a premium during the year and has access to intra-group funding arrangements funding the initial up-front investment of store fit-outs and maintaining sufficient cash flow for day-to-day operations.

The Company is run in line with the wider Group's key pillars of strategy and our ongoing forensic approach to retailing across each of our businesses. These include:

- Driving average transaction value. Extending categories and ranges to reflect the specific needs of customers.
- Working with landlords and building on the Group's strong relationships to create opportunities for winning new business, extending key contracts and improving the quality and location of the space where we operate.
- Forensic focus on costs and cash management including building flexibility into our leasing arrangements, and investing for growth through disciplined capital allocation.

Allocation of net income

The Board of Directors has proposed the net income of W H Smith Norway AS to be attributed to:

Retained Earnings	(13,042,743)
Net income/(loss) allocated	(13,042,743)



Principal risks and uncertainties

The Group manages its operations, including the Company, on a divisional basis and has identified the following factors as the principal risks to the successful performance of the business of WH Smith Travel Limited.

- Economic, political, competitive and market risks
- Brand and reputation
- Key suppliers and supply chain management
- Store portfolio
- Business interruption
- Reliance on key personnel
- Treasury, financial and credit risk management
- Environment and sustainability
- International expansion
- Cyber risk and data security

Group risks, including their management, are discussed in more detail in the Main risks and uncertainties section of the strategic report within the Group's 2023 Annual Report and Accounts, a copy of which is available on the Group's website (www.whsmithplc.co.uk).

The working environment and the employees

Leave of absence due to illness totaled 5 838 hours in 2023, which equals approximately 11 % of the total working hours in the Group. The Group will continue its efforts to reduce the number of sick days, and has started additional initiatives such holding one to one conversations with each colleague regarding their wellbeing and work enjoyment. The working environment is considered to be good, and efforts for improvements are made on an ongoing basis. The company initiated a survey of the working environment conducted by a third party in March 2024 to outline what was going well and what could be improved after the first year of trading. The report was positive and gave some suggestions we are working through now to support the team.

We had our first Diversity and Inclusion forum meeting in May 2024 to support all colleagues to feel included. And the International Employee Assistance Program will also roll out to Norway in May 2024

Equal opportunities and discrimination

The Directors believe in creating throughout the Company a culture that is free from discrimination and harassment and will not permit or tolerate discrimination in any form. The Company gives full and fair consideration to applications for employment when these are received from disabled people. Should an employee become disabled when working for the Company, we will endeavour to adapt the work environment and provide retraining if appropriate so that they may continue their employment and maximise their potential. Training, career development and promotion opportunities are equally applied for all our employees, regardless of disability.

Health, safety and environment

In the field of health and safety the Group is committed to maintaining high standards for its employees, customers, contractors and anyone affected by its business activities. Within the Group, a Health and Safety Committee represents the interests of employees. The Group, which benchmarks its performance against other companies, is represented on several national bodies concerned with health and safety.



The Group Risk Management Department operates within a broad framework covering issues such as health and safety, environmental impacts, insurance, disability issues and other risk areas. The department provides advice, guidance and support to managers within the Group ensuring that high standards are maintained.

The Group continues to engage with suppliers to promote and improve labour standards and better environmental management. As a member of the Ethical Trading Initiative (ETI), we continue to work with other members to share best practice and develop solutions to challenges we all face.

Further information on Health, Safety and Environment is contained within the Strategic report of the Group's Annual Report and Accounts 2023.

Directors' indemnities

The Company has qualifying third party indemnity provisions for the benefit of its directors which remained in force throughout the year and at the date of this report.

Financial risk

The Company's operations expose it to a variety of financial risks that include the effects of foreign exchange rate risk. The Company is subject to the WH Smith Group policies to ensure proper monitoring and control of financial risk. The policies are set by the Group and are implemented by the Company's finance department.

The Group's treasury function seeks to reduce exposures to interest rate, foreign exchange and other financial risks, and to ensure liquidity is available to meet the foreseeable needs of the Group and to invest cash assets safely and profitably. The Group does not engage in speculative trading in financial instruments and transacts only in relation to underlying business requirements. The Group's treasury policies and procedures are periodically reviewed and approved by the Group's Audit Committee and are subject to regular Group Internal Audit review. Further information on the Group's financial risk management policies and procedures are given in the WH Smith PLC Annual Report and Accounts 2023, which does not form part of this report.

Credit risk

The Company's principal financial assets are trade and other receivables and bank balances and cash which are considered to have low credit risk on initial recognition.

The Company has credit risk attributable to its trade and other receivables. The amounts included in the balance sheet are net of any provisions.

Liquidity risk

The Group manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short and long-term cash flow forecasts. The Group has a committed multi-currency revolving credit facility with a number of financial institutions which is available to be drawn for general corporate purposes including working capital.

The Group has a policy of pooling cash flows in order to optimize the return on surplus cash and also to utilize cash within the Group to reduce the costs of external short-term funding.

Going concern and subsequent events

As of balance sheet date, the Company's liquidity and equity situation was less than adequate. The Company was in breach of Section 3-4 in the Norwegian Private Limited Liability Companies Act (aksjeloven) and had an obligation to act under the Norwegian Private Limited Liability Companies Act section 3-5.



The directors has implemented measures to restore the equity. June 11, 2024 the general meeting approved a capital injection/debt conversion of NOK40m, leaving a positive equity position of NOK19,4m at the time of financial reporting. The directors has also requested and received a letter of support where the parent company confirms to undertake an obligation to provide such assistance as might be required to maintain and support the financial wellbeing of the Company and enable the Company to continue as a going concern for the next 12 months from the date when the financial statements are authorized for issue. Consequently, the Company is no longer in breach of Section 3-4 in the Norwegian Private Limited Liability Companies Act (aksjeloven).

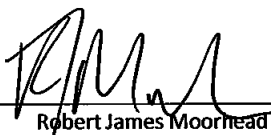
In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts and the Group's long-term strategic plans.

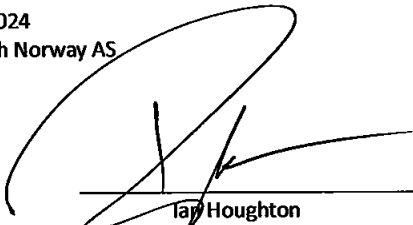
We refer to note 14 for further information.


Research and development activity

The Company has not incurred research and development expenses in the period beyond software costs for the integration of the stores.

Oslo, 4 July 2024
The board of WH Smith Norway AS


Robert James Moorhead
chairman of the board


Ian Houghton
member of the board/general manager


Gavin Bruce Wood
member of the board



Statement of comprehensive income

WH Smith Norway AS

Operating income and operating expenses	Note	05/04/22-31/08/23
Revenue	1	56 497 641
Total income		56 497 641
Cost of goods sold	2	19 221 636
Employee benefits expense	3	14 905 008
Depreciation and amortisation expenses	4, 5, 6	1 716 617
Other expenses	2, 3, 4	33 653 436
Total expenses		69 496 696
Operating profit		-12 999 055
Financial income and expenses		
Other financial income		2 232
Other interest expenses	4	45 919
Net financial items		-43 688
Net profit before tax		-13 042 743
Net profit or loss	7, 8	-13 042 743
Other comprehensive income		0
Total comprehensive income		-13 042 743
Attributable to		
Loss brought forward		-13 042 743
Total		-13 042 743



Balance sheet

WH Smith Norway AS

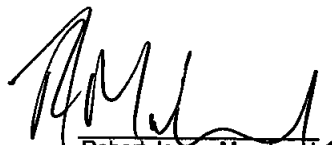
Assets	Note	31/08/23
Non-current assets		
Intangible assets		
Software	5	3 244 797
Total intangible assets		<u>3 244 797</u>
Property, plant and equipment		
Equipment and other movables	6	15 530 380
Right-of-use assets	4	2 398 932
Total property, plant and equipment		<u>17 929 311</u>
Total non-current assets		<u>21 174 109</u>
Current assets		
Inventories	10	5 166 115
Debtors		
Other short-term receivables	11	3 510 167
Receivables from group companies	9	47 048 735
Total receivables		<u>50 558 902</u>
Cash and cash equivalents		4 704 366
Total current assets		<u>60 429 382</u>
Total assets		<u>81 603 491</u>

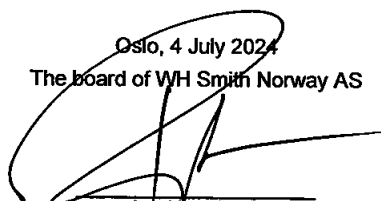



Balance sheet

WH Smith Norway AS

Equity and liabilities	Note	31/08/23
Equity		
Paid-in capital		
Share capital	12	30 000
Share premium		9 000 000
Total paid-in capital		9 030 000
Retained earnings		
Uncovered loss		-13 048 540
Total retained earnings		-13 048 540
Total equity	8, 14	-4 018 540
Liabilities		
Other non-current liabilities		
Lease liabilities	4	1 858 452
Total non-current liabilities		1 858 452
Current liabilities		
Lease liabilities	4	538 043
Trade payables		11 013 192
Public duties payable		3 981 890
Liabilities to group companies	9	48 337 773
Other current liabilities	13	19 892 682
Total current liabilities		83 763 579
Total liabilities		85 622 031
Total equity and liabilities		81 603 491


Robert James Moorhead
chairman of the board

Oslo, 4 July 2024
The board of WH Smith Norway AS

Ian Houghton
member of the board/General Manager


Gavin Bruce Wood
member of the board



Indirect cash flow

WH Smith Norway AS

Note 05/04/22-31/08/23

Cash flows from operating activities

Profit/loss before tax	-13 042 743
Ordinary depreciation	1 716 617
Change in inventory	-5 166 115
Change in accounts payable	11 013 192
Change in other accrual items	20 126 777
Net cash flows from operating activities	14 647 728

Cash flows from investment activities

Payments to buy tangible assets	-20 256 605
Net cash flows from investment activities	-20 256 605

Cash flows from financing activities

Proceeds from equity	9 024 205
Proceeds from Group contributions	48 337 773
Payment of Group contributions	-47 048 735
Net cash flows from financing activities	10 313 243

Net change in cash and cash equivalents	4 704 366
Cash and cash equivalents at the end of the period	4 704 366



Note Significant Accounting Policies

The financial year is from 5 April 2022 to 31 August 2023, and this is the first financial year.
The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Norwegian Accounting Act and Regulations on simplified IFRS laid down by the Norwegian Ministry of Finance on 3 November 2022.

b) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sale of goods to customers. Revenue excludes discounts, estimated returns, VAT and other sales-related taxes.

Revenue is recognised when performance obligations have been met and control of the goods has been transferred to the customer. The majority of the company's sales transactions originate from the sale of standalone products to consumers at standard prices in physical stores, where there is a single performance obligation. Revenue from sale of goods in stores is recognised at the point of sale when control of the goods is deemed to have been transferred to the customer.

Revenue in respect of gift cards sold by the company is recognised on the redemption of the gift card either in-store at the point of sale or on delivery for online redemptions.

c) Supplier arrangements

The company receives income from its suppliers in the form of supplier incentives and discounts (collectively "Supplier arrangements"). These incomes are recognised as a deduction from cost of sales on an accruals basis as they are earned for each supplier contract. The level of complexity and judgement is low in relation to establishing the accounting entries and estimates, and the timing of recognition.

Supplier incomes that have been invoiced but not received at the period end are recognised as Receivables, or in Trade Payables where we have the right of offset. Incomes that have been earned but not yet invoiced are accrued and are recorded in Accrued income.

d) Retirement benefit costs

The company have made contributions to local pension plans. These contributions have been made to the pension plan for full-time employees and equal a percentage of the employee's salary. The pension premiums are charged to expenses as they are incurred.

e) Property, plant and equipment

Property, plant and equipment assets are carried at cost less accumulated depreciation and any recognised impairment in value. The carrying values of tangible fixed assets previously revalued have been retained at their book amount. Depreciation is charged so as to write off the costs of assets, other than land, over their estimated useful lives, using the straight-line method, with the annual rates applicable to the principal categories being:

Amounts in Norwegian Kroner (NOK)

Page 5



Leasehold improvements: shorter of the lease period and the estimated remaining economic life

Fixtures and fittings: up to ten years

Equipment and other movables: up to ten years

The residual values of property, plant and equipment are reassessed on an annual basis.

At each balance sheet date, property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future pre-tax cash flows of the relevant cash-generating unit or fair value, less costs to sell, if higher. Any impairment in value is charged to the income statement in the period in which it occurs.

f) Software

Expenses linked to the purchase of new software are capitalised as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated in a straight line over 5 years. Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

g) Leasing

The entity assesses whether a contract is or contains a lease, at inception of the contract. The entity 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. For these leases, the entity recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

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

- fixed lease 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 lease liability is presented as a separate line in the consolidated balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

- The lease payments change due to changes in an index, rent review or rate, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- 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.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the lease term. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated balance sheet.

The entity applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the accounting policies in Note 1 e) Property, plant and equipment.

The lease contracts that include variable rents based on sales, which is the case with many of our retail concession contracts, are not included in the measurement of the lease liability and the right-of-use asset. The related rents payable are recognised as an expense in the period in which the event or condition that triggers those payables occurs and are included in profit or loss.

h) Inventories

Inventories comprise goods held for resale and are stated at the lower of cost or net realisable value. Inventories are valued using a weighted average cost method.

Cost is calculated to include, where applicable, duties, handling, transport and directly attributable costs (including a deduction for applicable supplier income) in bringing the inventories to their present location and condition. Net realisable value is based on estimated normal selling prices less further costs expected to be incurred in selling and distribution. Cost of inventories includes the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases. Provisions are made for obsolescence, markdown below cost and shrinkage.

i) Provisions

Provisions are recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

j) Foreign currencies

The financial statements are presented in Norwegian krone (NOK), which is WH Smith Norway's functional and presentation currency.

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items, and

Amounts in Norwegian Kroner (NOK)

Page 7



on the retranslation of monetary items, are included in the income statement for the period.

k) Taxation

The tax expense included in the income statement comprises current and deferred tax.

Current tax is the expected tax payable or receivable based on the taxable profit or loss for the period, using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and 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. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

l) Equity

Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

m) Current versus non-current classification

The company presents assets and liabilities in the consolidated statement of financial position as either current or non-current.

The company classifies an asset as current when it:

- Expects to realise the asset, or intends to sell or consume it, in its normal operating cycle
- Holds the asset primarily for the purpose of trading
- Expects to realise the asset within twelve months after the reporting period

Or

- The asset is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current, including deferred tax assets.

The company classifies a liability as current when it:

- Expects to settle the liability in its normal operating cycle
- Holds the liability primarily for the purpose of trading
- Is due to be settled within twelve months after the reporting period

Or

- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current, including deferred tax liabilities.

n) Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

In the statement of cash flows, the overdraft facility is stated minus the balance of cash and cash equivalents.

Amounts in Norwegian Kroner (NOK)

Page 8



Note 1 Sales income

By business area	2023
Sales in store	56 497 641
Total	56 497 641

Geographic breakdown	
Norway	56 497 641
Total	56 497 641

Note 2 Related party transactions

Related party	Link
WH Smith Travel Limited	Parent company
WH Smith Netherland BV	Sister company
WH Smith Retail Holdings	Intermediate parent company

The following internal transactions have taken place in 2023:

	Amount
Cost of goods sold	2 932 142
Management and accounting services	6 883 232
Equipment, software and other	16 831 821

Note 3 Wages and remuneration

Wage costs	2023
Salaries	12 143 178
Employer's tax	2 761 830
Salary costs	14 905 008

Number of employees **40**

No loans, advances, or guarantees have been provided to members of the management or members of the board. The company's managing director is employed by the ultimate parent company of the group and does not receive benefits from the company. No board remuneration is paid to the board.

Pensions:

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

Auditor compensation:	2023
Statutory audit	6 375
Tax advisory	3 750
Other assistance	157 678

Auditor compensation are presented exclusive of VAT.



Note 4 Leases

The company as a lessee;

Right-of-use assets

The company leases buildings for its retail stores. The company's right-of-use assets are categorised and presented in the table below

Right-of-use assets	Buildings	Total
Addition of right-of-use assets	2 634 121	2 634 121
Acquisition cost at 31/08/2023	2 634 121	2 634 121
Depreciation charge	235 189	235 189
Accumulated depreciation at 31/08/2023	2 398 932	2 398 932

Lower of remaining lease term or economic life	5 years
Depreciation method	Linear

Lease liabilities	Total
New lease liabilities recognised in the year	2 634 121
Cash payments for the principal portion of the lease liability	-283 545
Interest expense on lease liabilities	45 919
Total lease liabilities at 31/08/2023	2 396 495
Current lease liabilities	538 043
Non-current lease liabilities	1 858 452

Summary of other lease expenses recognised in P&L	Total
Variable lease payments expensed in the period	22 844 463
Total lease expenses included in other operating expenses	22 844 463

Variable lease payments

In addition to the lease liabilities above, the company is committed to pay variable lease payments for the building. The variable lease payments are based on sales in store and are expensed as incurred.

The minimum guarantee rent is based on passenger numbers at the airport. Under IFRS 16, variable lease payments are not included in the measurement of the lease liability but are recorded as an operating expense when incurred. The minimum guarantee rent varies based on passenger numbers which is a variable factor, and the minimum lease rent will be regarded as a variable lease payment, hence no liability will be recorded.

Gauarantee obligation

The company has a guarantee obligation from SEB related to the rent of property. The amount is NOK 19 354 212.

Note 5 Intangible assets

	Software	Total
Additions	3 462 668	3 462 667
Acquisition cost 31/08/2023	3 462 668	3 462 668
Depreciation charge in the year	217 871	217 871
Accumulated depreciation 31/08/2023	217 871	217 871
Net book value at 31/08/2023	3 244 797	3 244 797

Intangible assets is depreciated over estimated useful life of 5 years.

Amounts in Norwegian Kroner (NOK)

Page 10



Note 6 Property, plant and equipment

	Leasehold improvements	Fixtures and fittings	Equipment	Total
Additions	2 728 332	3 836 497	10 229 108	16 793 937
Acquisition cost 31/08/2023	2 728 332	3 836 497	10 229 108	16 793 937
Depreciation charge	211 525	279 046	772 986	1 263 557
Accumulated depreciation 31/08/2023	211 525	279 046	772 986	1 263 557
Net book value at 31/08/2023	2 516 807	3 557 451	9 456 122	15 530 380

Each asset is depreciated over estimated useful life of 5 years.

Note 7 Tax

This year's tax expense	2023
Payable tax	0
Change in deferred tax	0
Total tax charge	0

Calculation of the tax base for the year	2023
Result before tax	-13 042 743
Changes in temporary differences	-1 109 072
The year's tax base	-14 151 815

Payable tax in the balance:	2023
Total payable tax in the balance	0

Overview of temporary differences:	2023	Difference
Tangible assets	1 272 836	-1 272 836
Goods	-166 201	166 201
Right-of use assets	2 437	-2 437
Total	1 109 072	-1 109 072

Accumulated loss to be carried forward	-14 157 612	14 157 612
Not included in the deferred tax calculation	13 048 540	-13 048 540
Total	0	0

Deferred tax assets (22 %)	0	0
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Deferred tax asset NOK 2 870 679 is not recognized.

Explanation as to why the tax charge for the year does not amount to 22 % of the result before tax:	2023
Result before tax	-13 042 743
22 % tax on the result before tax	-2 870 679
Deferred tax asset not recognized	2 870 679
Calculated tax charge	0

Effective tax rate	0,0 %
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Note 8 Equity capital

	Share capital	Other paid-in equity capital	Uncovered loss	Total equity capital
Establishment 05/05/2022	30 000	0	-5 797	24 203
Resolved non-registered capital increase	0	9 000 000	0	9 000 000
Result of the year	0	0	-13 042 743	-13 042 743
Equity at 31/08/2023	30 000	9 000 000	-13 048 540	-4 018 540

Note 9 Inter-company items between companies in the same group

	31/08/2023
Receivables	
Loan to companies in the same group	47 048 735
Receivables at 31/08/2023	47 048 735
Liabilities	
Loans from companies in the same group	48 337 773
Liabilities at 31/08/2023	48 337 773

Note 10 Inventory

	31/08/2023
Stocks	
Stocks of purchased goods for resale	5 166 115
Total stocks at 31/08/2023	5 166 115
Inventory valued at cost price	5 332 316
Write down for obsolescence	-166 201

Note 11 Other short-term receivables

	31/08/2023
Accrued supplier income	3 433 266
Sundry debtors	76 901
Other short-term receivables at 31/08/2023	3 510 167



Note 12 Shareholders

The share capital in WH Smith Norway AS as of 31/08/2023 consists of:

	Total	Face value	Entered
Ordinary shares	30 000	1,0	30 000
Total	30 000		30 000

Ownership structure

	Total	Owner interest %	Share of votes %
WH Smith Travel Limited	30 000	100,00	100,00
Total number of shares	30 000	100,00	100,00

The company is included in the consolidated financial statements of the ultimate parent company WH Smith PLC. The business address is Aldgate Tower 2 Leman Street, London, United Kingdom. The Group's 2023 Annual Report and Accounts is available on the Group's website (www.whsmithplc.co.uk).

Note 13 Other current liabilities

	31/08/2023
Occupation rent accrual	13 538 661
Provision for holiday pay	1 028 704
Franchise fee	835 211
Other accruals	4 490 106
Other current liabilities at 31/08/2023	19 892 682

Note 14 Going concern and subsequent events

The board of directors should under Norwegian regulation assess whether the company can continue to operate for the next 12 months from the date of approval of these financial statements, and to ensure that the financial statements are prepared consistently. The going concern assessment depends on both the equity and the liquidity position. Both parameters should be adequate in terms of the risk and scope of the company's business.

The company suffered a loss of NOK 13.0 million in the financial year ended 31 August 2023. On 21 August 2023, an extraordinary general meeting approved a cash capital contribution of NOK 9.0 million, leaving a negative equity position of NOK 4.0 million as of 31 August 2023. Unaudited financial information for the subsequent financial year shows that the business is continuing losing money. The loss of the seven months period from 1 September 2023 to 31 March 2024 was NOK 16.6 million. As of 31 March of 2024, the company had accordingly a negative equity position of NOK 20,6 million.

The Company is part of the WH Smith Group's cash pooling facility. Cash surplus/deficits are swept daily so the company has access to sufficient liquidity to meet its day-to-day operational needs. Utilization of the cash pooling facility has left the company with an intercompany debt amounting to NOK 56 million as of 31 March 2024.

As of 31 August 2023, the Company was as in breach of Section 3-4 in the Norwegian Private Limited Liability Companies Act (aksjeloven) due to the negative equity position. The board of directors shall under section 3-5 forthwith deal with the matter, including to call for a general meeting and to propose measures to restore the equity. An extraordinary general meeting was held on 6 June 2024, which resolved a capital contribution of NOK 40 million, of which NOK 27 million was contributed in cash and NOK 13 million was a conversion of debt. Based on figures as of March, the company has after the capital contribution a positive equity position of NOK 19.4 million. Due to the daily cash sweep, the NOK 27 million cash contribution has redeemed the intercompany debt. The prognosis for the upcoming twelve months indicates a negative cash

Amounts in Norwegian Kroner (NOK)



flow and a need for access to the cash pooling facility. Therefore, the board of directors has requested and received a letter of support where the parent company confirms to undertake an obligation to provide such assistance as might be required to maintain and support the financial wellbeing of the Company and enable the Company to continue as a going concern for the next 12 months from the date when the financial statements are authorized for issue.

Based on the above assessment, the directors believe that the Company will have sufficient financial resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.



To the General Meeting of WH Smith Norway AS

RSM Norge AS

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Independent Auditor's Report

Opinion

We have audited the financial statements of WH Smith Norway AS (the Company), which comprise the balance sheet as at 31 August 2023, the statement of comprehensive income 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 comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 August 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

Other Information

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

THE POWER OF BEING UNDERSTOOD

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RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av/ is a member of Den norske Revisorforening.



Auditor's Report 2023 for WH Smith Norway AS

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements, which was 29 February 2024.

The Company has failed to deposit employees' tax deductions in accordance with the Norwegian Tax Payment Act section 5-12. Depending on the circumstances, this can lead to a liability for the Board of Directors and Managing Director.

Oslo, 4 July 2024
RSM Norge AS

Arnfinn Øsvik
State Authorised Public Accountant



Our date 06.03.2024	Your date 21.02.2024	Case officer Lars Waalorp
800 80 000 skatteetaten.no	Your reference	Telephone +4790833418
Org. nr: 974761076	Our reference 2024/5094799	Postal address P.O. Box 9200 Grønland 0134 Oslo

WH SMITH NORWAY AS
Att.Claus Petter Moe
c/o CMS Kluge Advokatfirma AS, Postboks 1548 Vika
0117 OSLO
Norge

Callers from abroad, please call +47 22 07 70 00

Permission to prepare the annual accounts and directors' report in English language for WH Smith Norway AS, org. no 929 151 704

With reference to your letter of 21 February 2024 with respect to the above matter regarding WH Smith Norway AS.

Based on a total evaluation, the view of the tax office is that WH Smith Norway AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

WH Smith Norway AS is a private limited company owned by a foreign company and is part of an international group.

The group's core business is to have outlets for news, books and convenience at travel hubs. The company are operating five such outlets at Oslo Airport.

The board members of the company are not Norwegian.

Condition for the permission

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts (...) be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:



“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

One of the main goals of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that the company is a subsidiary of a foreign company and is part of an international group. Furthermore, all key players and partners in this industry understand and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Lars Waalorp
The Norwegian Tax Administration

This document has been electronically approved and therefore has no handwritten signatures.