

## RECOMMENDATION FROM THE AUDIT COMMITTEE - XXL ASA

### 1. BACKGROUND

PriceWaterhouseCoopers AS ("**PwC**") has been the auditor of XXL ASA (the "**Company**") since 2010. In accordance with Regulation (EU) No 537/2014 Article 17, implemented as Norwegian law through the Auditors Act Section 12-1, a public limited liability company must change its auditor at least every ten years, unless the period is extended through a tender process in accordance with the Norwegian Public Limited Liability Companies Act Section 7-2. In this regard, the audit committee is required to provide a recommendation that identifies at least two alternatives for the election of an auditor including a reasoned proposal for one of the auditors, cf. the Norwegian Public Limited Liability Companies Act Section 6-43 letter f, and Regulation (EU) No 537/2014 Article 16 no. 2 and 6.

### 2. THE PROCESS

As an initial step of the process, a tender for audit services to the Company was held in the fourth quarter of 2023. Invitations to submit tenders were sent to Deloitte AS, Ernst & Young AS ("**EY**"), BDO AS, and PwC. The Company provided documentation that specified the criterias that would be emphasized in the process of the election of an auditor, as well as expected content in the offers to be submitted. In addition, individual meetings were held with the audit companies prior to their submission of offers.

Following the offers for audit services were received on 22 November 2023, the audit committee conducted a thorough review of the offers based on pre-defined qualitative and quantitative factors. The qualitative factors included inter alia:

- Proposed audit team (competence);
- Overall audit approach (centralized/decentralized);
- Application of technology and digital competence; and
- Business understanding and relevant expertise in auditing the retail and sports goods industry, as well as references.

The quantitative factors mainly consisted of:

- Evaluation of a fixed fee; and
- Fees for attestations and other advisory services.

### 3. EVALUATION

All offers were analyzed, and the audit companies were given the opportunity to hold individual presentations for the Company's management. The audit committee noted that all presented offers held high quality and expertise, however, following a thorough evaluation, PwC and EY were considered as the preferred candidates. In the overall assessment, PwC's offer was evaluated as the best, particularly due to the audit company's competence and experience with the Company.

### 4. RECOMMENDATION

The audit committee recommends that PwC is re-elected as the Company's auditor. The audit committee has not been influenced by any third parties and is not – and has not been – subject to any agreement with a third party, which in any way may restrict the selection of auditors or auditing firms, cf. the Norwegian Public Limited Liability Companies Act Section 6-43 and Regulation (EU) No 537/2014 Article 16 nr. 2 and 6.

Oslo, 13 May 2024

On behalf of the audit committee,  
Kjersti Hobøl (chair)