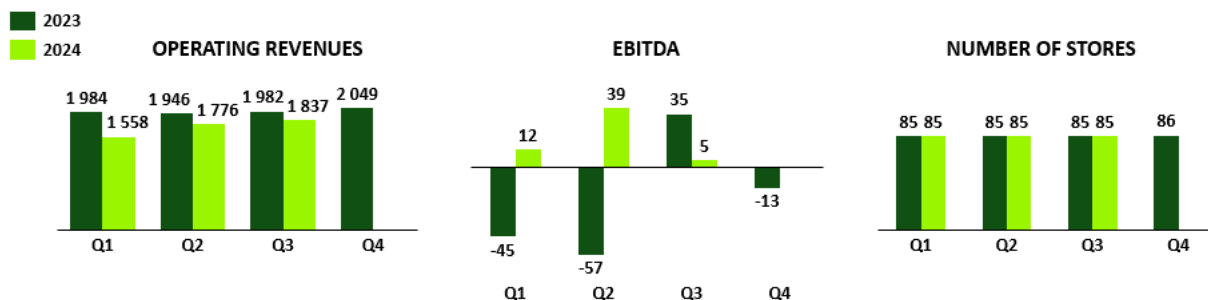
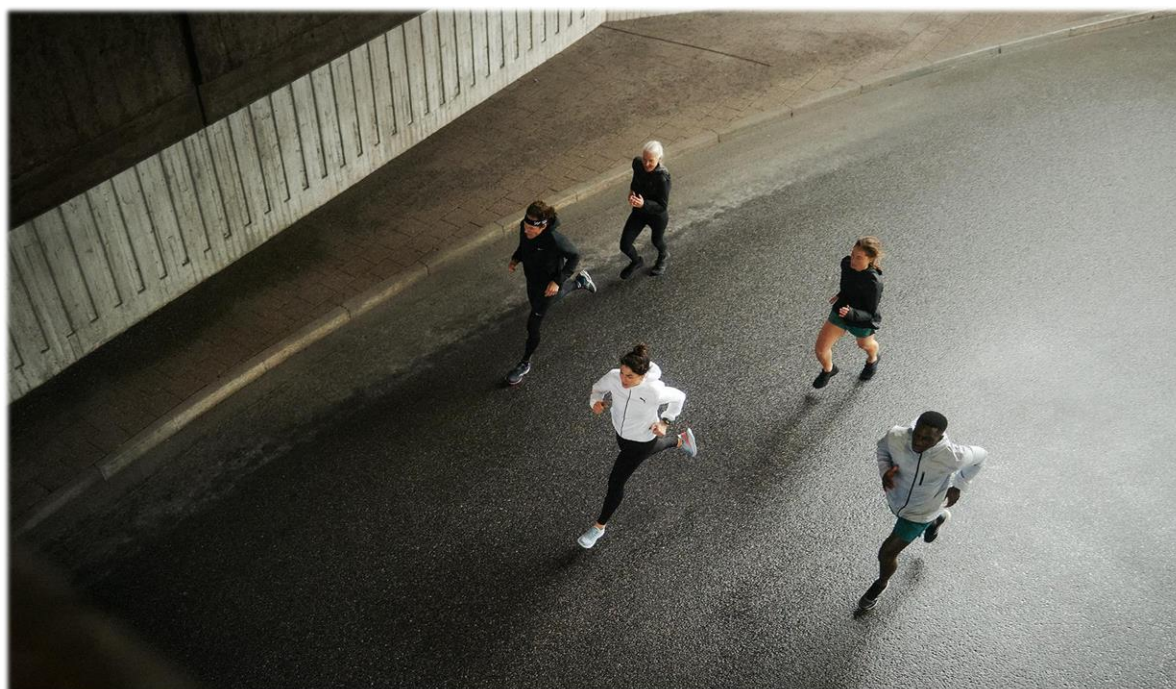


HIGHLIGHTS¹

- The market remains challenging, especially in Norway and Finland, but signs of recovery in Sweden
- Total operating revenues of NOK 1.8 billion (NOK 2.0 billion)
- Limited product availability still holding back sales, but revenue recovery continues quarter over quarter since Q1 2024
- High campaign activity in the market with price and margin pressure, while Private Label share has increased in the quarter
- EBITDA of NOK 5 million (NOK 35 million), mainly driven by lower top line



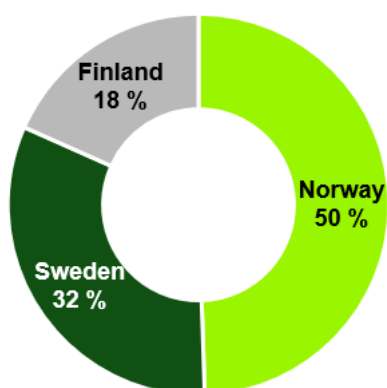
1) Please refer to definitions at the end of the report for descriptions of alternative performance measures that are used in highlights and key figures

KEY FIGURES GROUP

(Amounts in NOK million)

	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
GROUP					
Operating revenue	1 837	1 982	5 171	5 911	7 961
Growth (%)	-7,3 %	-10,2 %	-12,5 %	-4,1 %	-5,5 %
Gross profit	623	662	1 861	1 821	2 509
Gross margin (%)	33,9 %	33,4 %	36,0 %	30,8 %	31,5 %
OPEX	617	626	1 804	1 889	2 588
OPEX %	33,6 %	31,6 %	34,9 %	32,0 %	32,5 %
EBITDA	5	35	56	-67	-80
EBITDA margin (%)	0,3 %	1,8 %	1,1 %	-1,1 %	-1,0 %
EBIT	-191	-155	-530	-643	-1 409
EBIT margin (%)	-10,4 %	-7,8 %	-10,2 %	-10,9 %	-17,7 %
Impairment losses	-	-	-	-	576
EBIT adj.	-191	-155	-530	-643	-833
EBIT adj. margin (%)	-10,4%	-7,8%	-10,2%	-10,9%	-10,5%
Net Income	-262	-140	-753	-611	-1 590
Net Income adj.	-262	-140	-753	-611	-1 014
Basic Earnings per share (NOK)	-10,62	-20,19	-35,43	-132,28	-193,14
Average number of shares (1 000 shares)	24 636	6 930	21 253	4 623	8 230
Cash provided by operating activities	106	-235	-44	-35	198
Like for like revenue growth	-9,0 %	-12,8 %	-14,4 %	-5,4 %	-9,3 %
Number of stores at period end	85	85	85	85	86
New stores in the period	-	-	-	1	2
Closed stores in the period	-	-	1	-	-

Revenue Split Q3 2024



KEY FIGURES SEGMENTS

<i>(Amounts in NOK million)</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Norway					
Operating revenue	909	1 015	2 595	2 982	4 049
Growth (%)	-10,4 %	-10,9 %	-13,0 %	-6,6 %	-7,9 %
Gross profit	317	345	971	957	1 342
Gross margin (%)	34,9 %	34,0 %	37,4 %	32,1 %	33,1 %
OPEX	229	239	630	666	917
OPEX %	25,2 %	23,5 %	24,3 %	22,3 %	22,6 %
EBITDA	88	106	341	291	425
EBITDA margin (%)	9,7 %	10,5 %	13,1 %	9,8 %	10,5 %
Number of stores at period end	39	38	39	38	39
New stores in the period	-	-	-	-	1
Closed stores in the period	-	-	-	-	-
Sweden					
Operating revenue	591	590	1 632	1 782	2 387
Growth (%)	0,1 %	-12,3 %	-8,4 %	-3,2 %	-4,1 %
Gross profit	192	188	556	499	672
Gross margin (%)	32,5 %	31,8 %	34,1 %	28,0 %	28,2 %
OPEX	157	157	496	514	700
OPEX %	26,6 %	26,7 %	30,4 %	28,8 %	29,3 %
EBITDA	35	30	60	-15	-28
EBITDA margin (%)	5,9 %	5,1 %	3,7 %	-0,9 %	-1,2 %
Number of stores at period end	30	30	30	30	30
New stores in the period	-	-	-	1	1
Closed stores in the period	-	-	-	-	-
Finland					
Operating revenue	337	377	944	1 148	1 525
Growth (%)	-10,6 %	-4,5 %	-17,8 %	1,9 %	-1,2 %
Gross profit	114	129	333	366	495
Gross margin (%)	33,7 %	34,2 %	35,3 %	31,9 %	32,5 %
OPEX	103	100	299	319	429
OPEX %	30,5 %	26,4 %	31,7 %	27,8 %	28,1 %
EBITDA	11	29	34	47	67
EBITDA margin (%)	3,2 %	7,8 %	3,6 %	4,1 %	4,4 %
Number of stores at period end	16	17	16	17	17
New stores in the period	-	-	-	-	-
Closed stores in the period	-	-	1	-	-
HQ & logistics					
EBITDA	-128	-130	-380	-390	-544
EBITDA margin (% of Group revenues)	-7,0 %	-6,6 %	-7,3 %	-6,6 %	-6,8 %

Navigating the downturn while preparing for market recovery in 2025

Oslo, 5 November 2024: XXL continued to see sales recovery quarter over quarter but delivered negative year over year growth of 7 per cent in the third quarter of 2024. Total operating revenue amounted to NOK 1.8 billion (NOK 2.0 billion). The Nordic sporting goods market persisted to be challenging in Q3 2024, after ten consecutive quarters with negative growth, especially in Norway and Finland. XXL is experiencing initial recovery in Sweden impacted by three interest rate cuts so far this year. EBITDA amounted to NOK 5 million (NOK 35 million), mainly driven by the negative sales growth hampering scale in operations.

XXL has continued to prioritize strict liquidity and inventory control, resulting in a reduction of inventory of 13 per cent in value but only 3 per cent in number of pieces. Lower inventory has a negative impact on the availability of products and on the topline development.

Consequently, XXL is in the process of securing a financial solution that is expected to cover both short-term liquidity needs and allow for working capital investments. The Company contemplates that the financing will be a combination of a fully underwritten rights issue in the amount of approximately NOK 600 million, a prolongation of the Company's existing loan facilities and a bridge loan, which will enable working capital investments to support efforts in strengthening top line growth and continue to deliver on the "Reset & Rethink" plan.

XXL sees positive effects of the cost out program as well as strengthened gross margin. However, EBITDA improvements are hampered by a continued negative market development, where the expected 2024 recovery in consumer demand has not materialized, and where the outlook on a market recovery now is delayed until 2025.

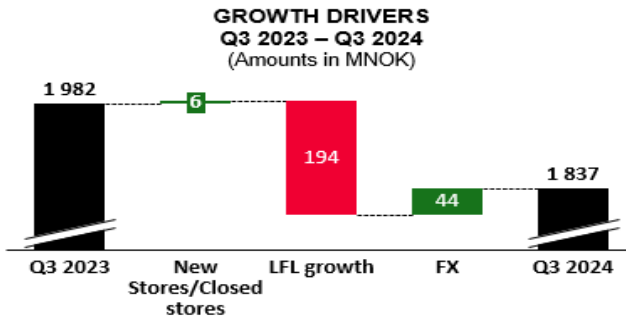
XXL will have full focus ahead on turning around sales development in a continued challenging and campaign driven market, as well as delivering on the Reset & Rethink plan to be prepared for the recovery in the market through strengthening its position as the leading mass-market sports retailer in the Nordics.

Third quarter 2024 review

(Figures in brackets = same period previous year, unless otherwise specified)

Total operating revenue in the third quarter 2024 ended at NOK 1 837 million (NOK 1 982 million) which represented a decline of 7.3 per cent. The Nordic sporting goods market was still challenging in Q3 2024, after ten consecutive quarters with negative growth, especially in Norway and Finland. XXL is experiencing some recovery in Sweden impacted by three interest rate cuts so far this year. Limited product availability on important price points and products in high demand are holding back sales as well, with availability of high selling products being down year over year as well as quarter over quarter. However, revenue recovery has

continued quarter over quarter since Q1 2024. Especially soft goods, consumables and products on lower price points have increased in demand, while more capital-intensive products have continued to be in decline. XXL had growth in important categories within shoes and apparel, but decreased sales of capital-intensive hardware categories like outdoor and hunting equipment drove a net decline in sales. Sales development started off with negative growth in July but improved in August followed by a volatile September.



E-commerce represented 19.1 per cent (18.9 per cent) of total operating revenue for the Group. Overall XXL delivered a negative like-for-like growth of 9.0 per cent in the quarter. XXL currently focuses on driving omni channel sales to increase gross margin and strengthen loyalty over time. The member club “XXL Reward” has now surpassed 4 million members.

The gross margin ended at 33.9 per cent (33.4 per cent). The market has been characterized by high campaign activity and end of season clearance with price and margin pressure, especially on capital-intensive hardware goods. XXL continues to see a higher share of sales on campaign products, impacting the gross margin negatively. However, the underlying margin is improving due to healthier inventory composition as well as increasing Private Label share in the quarter.

Operating expenses as a percentage of sales increased to 33.6 per cent in the third quarter of 2024 (31.6 per cent) impacted by the negative sales growth hampering scale in operations. XXL has in the quarter refurbished, moved and reopened three stores in Sweden with corresponding costs. Operating expenses in absolute value are lower than last year, even though being negatively affected by salary inflation as well as negative currency translation effects, and despite the above-mentioned costs in Sweden. The cost out program and restructuring effects are starting to materialize and absolute costs are down by NOK 98 million YTD 2024 versus YTD 2023 on same currency basis and including non-recurring transaction costs and negative timing effects on bonus accruals

The Group EBITDA in the third quarter 2024 NOK 5 million (NOK 35 million), mainly explained by negative growth as described above.

XXL had total liquidity reserves of NOK 356 million (NOK 782 million) and a net interest-bearing debt of NOK 1 013 million (NOK 862 million) by the end of Q3 2024.

XXL has continued to prioritize strict liquidity and inventory control, resulting in a reduction of inventory of NOK 258 million compared to Q3 2023. However, this has a negative impact on the availability of products and on the topline development.

XXL is in the process of securing a financial solution that is expected to cover both short-term liquidity needs and allow for working capital investments. The Company contemplates that the financing will be a combination of a fully underwritten rights issue in the amount of approximately NOK 600 million, a prolongation of the Company's existing loan facilities and a bridge loan, which will enable working capital investments to support efforts in strengthening top line growth and continue to deliver on the “Reset & Rethink” plan.

The working capital investments include (i) necessary seasonal purchasing (approximately NOK 350 million) and (ii) restructure & regain a healthy inventory level with an optimal composition of high margin, fast moving goods with an increased share of assortment within low price/value for money as well as Private Label products (in total approximately NOK 250 million).

XXL is currently working on several short-term turnaround actions and a longer-term strategic plan, called “Reset & Rethink”, in order to improve profitability. Five must win battles are identified and is currently in execution as part of the “Reset”:

- Reset category strategies
- Secure product availability
- Store sales strategies and operations
- Pricing
- E-commerce profitability

The identified must win battles are expected to deliver an EBITDA run-rate uplift of NOK 500-750 million by the second quarter 2026, a delay of around one year versus previous ambitions driven by continued challenging market conditions as well as low product availability for XXL.

XXL and Frasers Group has not progressed its dialogue concerning the previously announced intentions of a strategic partnership.

Operating segments

(Figures in brackets = same period previous year, unless otherwise specified)

The Group's reporting structure comprises three operational segments based on XXL's operations in Norway, Sweden, and Finland, in addition to the HQ and Logistics segment.

Norway

The Norwegian operations delivered total operating revenue of NOK 909 million in the third quarter 2024 compared to NOK 1 015 million in the same quarter last year, representing a negative growth of 10.4 per cent. XXL experienced growth on consumables on lower price points like apparel and shoes, but this was more than counteracted by low demand for capital-intensive products on higher price points like hunting and outdoor equipment. The decline in revenue is also explained by low product availability in general.

Gross margin improved to 34.9 per cent (34.0 per cent), driven by healthier inventories and increased Private Label share, partly counteracted by high campaign activity.

Operating expenses as a percentage of sales ended at 25.2 per cent (23.5 per cent) impacted by a negative like for like growth of 10.6 per cent hurting scale in the operations. However, operating expenses in absolute value are lower than last year by approximately NOK 10 million despite one more store.

EBITDA amounted to NOK 88 million (NOK 106 million).

Sweden

Total operating revenue for XXL in Sweden in Q3 2024 amounted to NOK 591 million (NOK 590 million) corresponding to a negative growth of 5.3 per cent in local currency. The Swedish market is showing early signs of improvement and XXL has growth in several categories related to soft goods and consumables. However, the growth is hampered by low demand and sales of hardware products and capital-intensive products on higher price points like e-bikes and hunting equipment. The decline in revenue is also explained by low product availability in general.

Gross margin improved to 32.5 per cent (31.8 per cent) driven by healthier inventory levels counteracted by high campaign activity on especially capital-intensive products like bikes.

Operating expenses as percentage of sales ended at 26.6 per cent (26.7 per cent) due to cost reductions partly offset by negative like for like growth of 4.8 per cent in local currency hampering scale in operations. In addition XXL has in the quarter refurbished, moved and reopened three stores with corresponding costs.

EBITDA was NOK 35 million (NOK 30 million), driven by strengthened gross margin and cost efficiency partly offset by store elevation costs and lower sales in local currency.

Finland

Total operating revenue in the quarter amounted to NOK 337 million (NOK 377 million). This corresponded to a negative growth of 13.4 per cent in local currency in a still challenging market with weak consumer sentiment and low demand. The development is also explained by reduced product availability in general. In March 2024 XXL closed its store in Redi, Helsinki, explaining NOK 8 million of the sales shortfall in Q3 versus last year.

Gross margin ended at 33.7 per cent (34.2 per cent) due to higher clearance activities of seasonal products in an overall slow retail market.

Operating expenses as percentage of sales ended at 30.5 per cent in Q3 2024 (26.4 per cent) due to negative like for like growth of 10.8 per cent in local currency hurting scale in the operations.

EBITDA amounted to NOK 11 million in Q3 2024 (NOK 29 million).

HQ and Logistics

The HQ and Logistics segment consists of costs related to the Group's headquarter and logistics operations including two central warehouses.

Operating expenses were NOK 128 million (NOK 130 million) in Q3 2024. XXL has continued to address the HQ cost base to adapt to the current sales development. The reduction versus last year is mainly explained by reduced personnel expenses at the HQ, despite increased cost inflation on large cost elements like salaries and IT licenses.

Financials

Consolidated income statement – Third quarter 2024

(Figures in brackets = same period previous year, unless otherwise specified)

Total operating revenue decreased by 7.3 per cent to NOK 1 837 million (NOK 1 982 million).

Total operating expenses excluding depreciation, impairment losses and cost of goods sold equaled NOK 617 million (NOK 626 million) in the third quarter. Underlying cost savings, adjusted for currency, NOK 22 million. As percentage of total operating revenue of the Group, operating expenses increased from 31.6 per cent in the third quarter last year to 33.6 per cent in the third quarter this year.

Operating income amounted to negative NOK 191 million (negative NOK 155 million). The negative change is explained by sales shortfall.

Net financial expense amounted to NOK 75 million for the second quarter (net financial expense of NOK 34 million) of which NOK 19 million is related to IFRS 16 effects compared to NOK 21 million in Q3 2023. Net interest expense at NOK 22 million, of which NOK 5 million relates to MAP/APA, (NOK 15 million). Net financial expenses included a negative currency effect of NOK 32 million compared to a negative currency effect of NOK 0.5 million last year. Other financial expenses of NOK 1 million were related to amortization of capitalized borrowing costs and other financial costs.

Income tax expense for the third quarter was negative NOK 4 million (negative NOK 49 million). Negative NOK 1 million relates to a change in estimate in the ongoing MAP/APA case which is expected to have limited net cash effect. XXL was in second quarter informed by the Norwegian competent authority that the tax authorities have reached an agreement for the income years 2015-2018 (MAP-agreement). Early October, XXL was also informed that the tax authorities had reached an agreement for the income years 2019-2022 (APA-agreement). The outcome of the negotiations is in accordance with XXL's expectations. The details required to calculate the net tax effects of the agreements for the XXL group have not yet been fully clarified, but XXL has estimated NOK 71 million tax expense, but the total net tax effect is still

uncertain. However, the Company believes that the NOK 90 million already paid should be sufficient to cover the net tax payment obligations of the group relating to the tax reassessment when both jurisdictions and MAP/APA procedures are considered. See note 9 for further details.

Profit for the period negative of NOK 262 million (negative NOK 140 million).

Consolidated cash flow – YTD 2024

(Figures in brackets = same period previous year, unless otherwise specified)

Cash used for operating activities was at NOK 44 million YTD 2024 (negative NOK 35 million). This was mainly attributable to the increase in net working capital, as accrued public taxes are high at year end because of strong December sales.

Cash used by investing activities was NOK 66 million YTD 2024 (negative NOK 90 million). Investments have been made in necessary IT infrastructure and to downsize and relocate stores.

Cash used for financing activities was NOK 144 million YTD 2024 (negative of NOK 104 million). The settlements from the private placement and subsequent repair offering of NOK 560 million has been offset by payment of debt and lease liabilities.

Financial position and liquidity

(Figures in brackets = same period previous year, unless otherwise specified)

As of 30 September 2024, total assets amounted to NOK 7 075 million (NOK 8 520 million). Total equity was NOK 2 160 million (NOK 3 332 million), resulting in an equity ratio of 30.5 per cent (39.1 per cent). The net interest-bearing debt (NIBD) was NOK 1 013 million (NOK 862 million).

The Group had cash and cash equivalents of NOK 137 million (NOK 357 million) as of 30 September 2024. In September 2023 XXL received NOK 500 million from the rights issue, explaining the level of cash and cash equivalents last year. The Group's liquidity reserves include total credit facilities of NOK 1 000 million where NOK 781 million was used as of 30 September 2024. Available liquidity reserves as of 30 September 2024 were NOK 356 million (NOK 782 million).

Extension of Swedish temporarily tax deferral

In the second quarter 2023 XXL received a temporary deferral of Swedish tax payments for 2021, which resulted in a tax repayment for that year in the amount of SEK 345 million that improved the liquidity reserves accordingly. In August 2024 XXL received a further deferral from the Swedish tax authorities against a 36 months payment plan. XXL has booked the deferred tax payment as net interest-bearing debt. The monthly installments will commence in October 2024 and run for 36 months.

Reverse share split of the Company's shares

In July 2024 XXL commenced a reverse share split of its shares, as resolved by the Annual General Meeting on 4 June 2024, in the ratio 100:1. The reverse share split was registered with the Norwegian Register of Business Enterprises on 26 July 2024 and the par value of the Company's shares was increased from NOK 0.40 to NOK 40 per share. The share capital of the Company is NOK 985 429 800.00 divided into 24 635 745 shares, each with a nominal value of NOK 40.

Outlook

XXL is in the phase of implementing several strategic initiatives and projects to improve profitability and operational efficiency moving forward, called "Reset & Rethink". The Five must win battles identified and under execution are expected to deliver an EBITDA run-rate uplift of NOK 500-750 million by the second quarter 2026, a delay of around a year versus previous ambitions driven by continued challenging market conditions as well as low product availability for XXL.

Sales in October has continued to be volatile and is estimated to be negative 10 percent driven by low demand for seasonal winter products.

XXL's target and goal moving forward is to come back to sound profitability as well as over time gain market shares in all markets and regain growth in the E-commerce channel.

In line with the existing strategy, XXL will continue to mainly invest in operational efficiency, store footprint optimization, customer experience enhancing projects in both stores and in the E-commerce platform, as well as in IT and tech. Total CAPEX for XXL Group in 2024 is expected to remain modest at around NOK 100 million.

XXL has thus far no new store openings signed in 2024. Mid-to long-term XXL continues to expect the pace of the store roll-out to be 2-3 new stores per year including relocations of stores. At the same time XXL will be downsizing several existing stores. Short term the Group will continue to focus on optimizing the store portfolio, including evaluation of selective closures of low performing stores with limited turnaround abilities.

Condensed Consolidated Interim Statements of Income & Comprehensive Income

<i>(Amounts in NOK million)</i>	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023 (Audited)
Total Operating Revenue		1 837	1 982	5 171	5 911	7 961
Cost of goods sold		1 214	1 320	3 310	4 090	5 452
Personnel expenses		408	408	1 135	1 217	1 657
Other operating expenses		209	218	669	671	931
Depreciation		196	190	586	576	754
Impairment losses		-	-	-	-	576
Total Operating Expenses		2 028	2 137	5 701	6 554	9 369
Operating Income		-191	-155	-530	-643	-1 409
Net financial expense		-75	-34	-148	-140	-186
Profit before income tax		-266	-189	-678	-783	-1 595
Income tax expense	9	-4	-49	75	-172	-5
Net income from Continuing Operations		-262	-140	-753	-611	-1 590
Net income from Discontinued Operations		-	-25	-	-123	-206
Net income for the Period		-262	-165	-753	-735	-1 796
Basic and diluted Earnings per share from continuing operations (NOK)		-10,62	-20,19	-35,43	-132,28	-193,14
Basic and diluted Earnings per share (NOK)		-10,62	-23,85	-35,43	-158,90	-218,18
Other comprehensive income						
Foreign currency rate changes		51	15	51	-35	17
Total Other Income and Expense		51	15	51	-35	17
Total comprehensive income for the period		-210	-150	-702	-770	-1 779
Total comprehensive income attributable to:						
Equity holders of the company		-209	-145	-696	-748	-1 721
Non-controlling interest		-2	-5	-5	-22	-57

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	Note	30.09.2024	30.09.2023	31.12.2023 (Audited)
NON CURRENT ASSETS				
Intangible Assets				
Goodwill		2 222	2 744	2 222
Other Intangible Assets		268	267	270
Deferred tax asset		266	350	253
Total Intangible Assets		2 756	3 361	2 745
Fixed Assets		451	551	490
Right of Use Assets	8	1 654	1 896	1 804
Total Non Current Assets		4 861	5 808	5 039
CURRENT ASSETS				
Inventory		1 757	2 015	1 776
Trade and Other Receivables		320	283	320
Cash and Cash Equivalents		137	357	406
Total Current Assets		2 214	2 655	2 502
Total assets of disposal group held for sale		-	57	-
TOTAL ASSETS		7 075	8 520	7 542

<i>(Amounts in NOK million)</i>	Note	30.09.2024	30.09.2023	31.12.2023 (Audited)
SHAREHOLDERS' EQUITY				
Paid-in Capital		4 615	4 027	4 065
Other equity		-2 455	-695	-1 754
Total Shareholders' Equity		2 160	3 332	2 310
Other non-current liabilities				
Interest Bearing Non-Current Liabilities		1 029	229	276
Lease Liabilities	8	1 384	1 563	1 528
Total non-current liabilities		2 413	1 792	1 804
Current liabilities				
Accounts Payable		1 024	1 114	908
Lease Liabilities	8	579	585	585
Current Interest Bearing Liabilities		137	1 015	1 006
Tax payable		61	1	28
Public duties payable		214	222	342
Other current liabilities		487	411	560
Total current liabilities		2 501	3 349	3 428
TOTAL LIABILITIES		4 914	5 140	5 232
Total liabilities of disposal group held for sale		-	48	-
TOTAL EQUITY AND LIABILITIES		7 075	8 520	7 542

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Cash Flows

<i>(Amounts in NOK million)</i>	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023 (Audited)
Operating Activities					
Profit before tax from continued operations	-266	-189	-678	-783	-1 595
Income tax paid	-	-	-	-	-
Depreciation and amortization	196	190	586	576	1 330
Net financial expense	49	19	114	125	165
Changes in inventory	47	107	19	313	552
Changes in accounts receivable	-49	-17	1	-23	-44
Changes in accounts payable	148	-220	115	-102	-340
Changes in other balance sheet items	-18	-124	-201	-174	103
Cash provided (used) by operating activities from discontinuing operations	-	-1	-	32	28
Net cash flow from operating activities	106	-235	-44	-35	198
Investing Activities					
Investment in fixed assets	-25	-46	-66	-90	-129
Net cash flow from investing activities	-25	-46	-66	-90	-129
Financing Activities					
Proceeds from share capital increase	-	500	560	1 001	1 001
Transaction costs	-1	-17	-14	-35	-35
Payments from and repayments of borrowings	-73	-229	-158	-775	-774
Proceeds from other short term debt	-	-	-	342	342
Interest payments on interest-bearing liabilities	-30	-13	-55	-69	-95
Payment of Interest element of lease payments	-19	-21	-59	-64	-84
Payments of lease liabilities	-137	-157	-418	-470	-607
Cash provided (used) by financing activities from discontinuing operations	-	-7	-	-33	-33
Net cash flow from financing activities	-260	56	-144	-104	-285
Net Change in Cash and Cash Equivalents	-179	-225	-254	-230	-216
Cash and cash equivalents - beginning of period	333	572	406	575	575
Effect of foreign currency rate changes on cash and equivalents	-17	11	-15	11	24
Cash and Cash Equivalents (AHS) - End of period	-	25	-	25	23
Cash and Cash Equivalents - End of period	137	382	137	382	406

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Changes in Equity

<i>(Amounts in NOK million)</i>	Share capital	Share premium	Other Paid in Equity	Retained earnings	Foreign Currency Rate Changes	Non-Controlling Interest	Total Shareholders' Equity
Shareholders' Equity 31.12.2022	101	2 900	40	61	-47	10	3 066
Profit for the Period	-	-	-	-708	-	-26	-735
Foreign currency rate changes	-	-	-	-	-	15	15
Total comprehensive income for the interim period	-	-	-	-708	-	-11	-720
Transactions with owners:							
Employee share incentive program	-	-	3	-	-	-	3
Share issue	564	418	-	-	-	-	982
Shareholders' Equity 30.09.2023	665	3 318	43	-647	-47	-1	3 332
Shareholders' Equity 31.12.2023	665	3 355	43	-1 670	-30	-54	2 310
Profit for the Period	-	-	-	-748	-	-5	-753
Foreign currency rate changes	-	-	-	-	51	-	51
Total comprehensive income for the interim period	-	-	-	-748	51	-5	-702
Transactions with owners:							
Employee share incentive program	-	-	3	-	-	-	3
Share issue	320	229	-	-	-	-	550
Shareholders' Equity 30.09.2024	985	3 584	46	-2 418	22	-59	2 160

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Notes to the interim financial statements¹⁾

Note 1 General information

XXL ASA and its subsidiaries' (together the "company" or the "Group") operating activities are related to the resale of sports and leisure equipment in the Nordic countries.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated. Due to rounding, there may be differences in the summation columns.

These condensed interim financial statements have not been audited.

Note 2 Basis of preparation

These condensed consolidated interim financial statements for the three- and nine-month reporting periods ending 30 September 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

Note 3 Accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2023.

Note 4 Estimates, judgments, and assumptions

The preparation of interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

1) Please refer to definitions at the end of the report for descriptions of alternative performance measures

Note 5 Operating Segments

The Group's business is the sale of sports and leisure equipment. Segment performance is reviewed by Management and the Board of Directors as three reportable geographical segments and HQ & Logistics segment. The following presents the Group's revenue by operating segment:

Q3 2024

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Segment
Operating revenue	909	591	337	-	1 837
Gross profit	317	192	114	-	623
EBITDA	88	35	11	-128	5
Operating Income	12	-12	-27	-164	-191

Q3 2023

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	1 015	590	377	-	1 982
Gross profit	345	188	129	-	662
EBITDA	106	30	29	-130	35
Operating Income	36	-23	-9	-160	-155

YTD 2024

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Segment
Operating revenue	2 595	1 632	944	-	5 171
Gross profit	971	556	333	-	1 861
EBITDA	341	60	34	-380	56
Operating Income	109	-89	-81	-468	-530

YTD 2023

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	2 982	1 782	1 148	-	5 911
Gross profit	957	499	366	-	1 822
EBITDA	291	-15	47	-390	-67
Operating Income	84	-183	-66	-479	-643

FY 2023

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	4 049	2 387	1 525	-	7 961
Gross profit	1 342	672	495	-	2 509
EBITDA	425	-28	67	-544	-80
Operating Income	-371	-293	-84	-661	-1 409

Note 6 Related Party Transactions

The Group's related parties include its associates, key Management, members of the Board of Directors and majority shareholders.

There are no major related party transactions for XXL Group during the interim period ended 30 September 2024. Furthermore, none of the Board members have been granted loans or guarantees in the current year or are included in the Group's pension or bonus plans. All related party transactions are concluded on an arm's length basis.

Note 7 Risk Management

A description of main risk factors in XXL is included in Note 20 in the Annual Report for 2023.

Note 8 Right-of-use assets and lease liabilities

The movements of the Group's right-of-use assets and lease liabilities during the year are presented below:

Right of use assets

<i>(Amounts in NOK million)</i>	Buildings, machinery and vehicles
Aquisition cost 01.01.2024	4 658
Additions and adjustments	264
Change incentives	-7
Net exchange differences	76
Aquisition costs 30.09.2024	4 991
Accumulated depreciation and impairment losses 01.01.2024	-2 854
Depreciation	-430
Impairment losses (-) Reversal of losses (+)	0
Transfers and reclassifications	0
Currency exchange differences	-54
Accumulated depreciation and impairment 30.09.2024	-3 338
Total Right-of-Use Assets at 30.09.2024	1 654
Right of Use Assets	1 654

Lease liabilities

(Amounts in NOK million)

Summary of the lease liabilities in the financial statements

Total lease liabilities 01.01.2024	2 112
New lease liabilities recognised in the period and adjustments	257
Leasing payments for the principal portion of the lease liability	-492
Interest expense on lease liabilities	59
Reassessment of the discount rate on previous lease liabilities	0
Currency exchange differences	27
Lease liabilities at 30.09.2024	1 963

whereof:

Current lease liabilities < 1 year	579
Non-current lease liabilities > 1 year	1 384

Note 9 MAP/APA negotiations

Reference is made to the stock exchange announcement on 15 June 2023 regarding a reassessment of taxable income for the subsidiary XXL Sport & Villmark AS relating to the XXL group's international transfer pricing model. Reference is also made to stock exchange announcement dated 3 October 2023 regarding the payment of NOK 90 million to the Norwegian tax authorities in connection with the reassessment.

XXL did not agree with the reassessment and requested negotiations between competent Norwegian and foreign tax authorities to mitigate the net tax effects for the XXL group through adjustments to taxable income in the other relevant jurisdiction pursuant to mechanisms in relevant double taxation treaties between Norway and such jurisdiction. In second quarter, XXL was informed by the Norwegian competent authority that the tax authorities reached an agreement for the income years 2015-2018 (MAP-agreement). Early October, XXL was also informed that the tax authorities had reached an agreement for the income years 2019-2022 (APA-agreement). The outcome of the negotiations is in accordance with XXL's expectations.

The details required to calculate the net tax effects of the agreements for the XXL group have not yet been fully clarified, hence the total net tax effect is uncertain. However, the Company still believes that the NOK 90 million already paid should be sufficient to cover the net tax payment obligations of the group relating to the tax reassessment when both jurisdictions are considered. The timing of the corresponding settlements in both jurisdictions is uncertain and could lead to payments in Norway before receiving repayments from Switzerland and vice versa.

In second quarter, XXL had, even though the amounts were uncertain, estimated a net tax expense relating to the MAP/APA negotiations of NOK 72 million and a net interest expense relating to late payment interest of NOK 14 million. The expenses are included in the Condensed Consolidated Interim Income Statement in the lines Income tax expense and Net financial expense respectively.

In third quarter, XXL have done an adjustment in estimates leading to a NOK 1 million reduction in tax expense and NOK 5 million increase in interest expense relating to late payment interest. Year-to-date tax expense and interest expense relating to MAP/APA negotiations are NOK 71 million and NOK 19 million respectively.

Disclaimer

This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as “believe,” “expect,” “anticipate,” “may,” “assume,” “plan,” “intend,” “will,” “should,” “estimate,” “risk” and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

Definitions

Alternative Performance Measures (APM)

Certain financial measures and ratios related thereto in this quarterly report, including growth, gross profit, gross margin, EBIT, EBIT margin, EBITDA, EBITDA margin, working capital and Net Interest-Bearing Debt (collectively, the “Non-GAAP Measures”), are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this quarterly report because they are among the measures used by Management to evaluate the cash available to fund ongoing, long-term obligations and they are frequently used by other interested parties for valuation purposes or as a common measure of the ability of a company to incur and meet debt service obligations. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, and you should not consider such items as alternatives to profit for the year, total operating revenues, operating income, or any other performance measures derived in accordance with IFRS, and they may be different from similarly titled measures used by other companies. All amounts in tables below are in NOK million.

EBIT

Our EBIT represents operating income.

EBIT adj

EBIT adjusted (adj) represents EBIT adjusted for impairment losses in the period.

	Q3'24	Q3'23	YTD 24	YTD 23	FY23
EBIT	-191	-155	-530	-643	-1 409
+ Impairment Losses	0	0	0	0	576
= EBIT adj	-191	-155	-530	-643	-833

Net Income Adj

Our Net Income adjusted (adj) represents Net Income adjusted for impairment losses in the period.

	Q3'24	Q3'23	YTD 24	YTD 23	FY23
Net Income	-262	-140	-752	-611	-1 590
+ Impairment Losses	0	0	0	0	576
= Net Income adj	-262	-140	-753	-611	-1 014

EBITDA

Earnings before interest, tax, depreciation, and amortization (EBITDA) is a key financial parameter for XXL. Our EBITDA represents operating income plus depreciation and impairment losses.

	Q3'24	Q3'23	YTD 24	YTD 23	FY23
Operating Income	-191	-155	-530	-643	-1 409
+ Depreciation	196	190	586	576	754
+ Impairment losses	0	0	0	0	576
= EBITDA	5	35	56	-67	-80

Like for Like

Like for Like includes comparable stores and E-commerce. Comparable stores are stores that have been open all months of the current year and all months of the previous year. Stores that have been relocated or significantly expanded are excluded from Like for Like stores. Like for Like for the total Group is calculated with FX constant year over year to eliminate the FX effect.

Gross profit / Gross margin

Gross profit represents operating revenue less cost of goods sold. Gross margin is gross profit in per cent of revenue.

	Q3'24	Q3'23	YTD 24	YTD 23	FY23
Operating revenue	1 837	1 982	5 171	5 911	7 961
÷ Cost of goods sold	1 214	1 320	3 310	4 090	5 452
= Gross profit	623	662	1 816	1 821	2 508
Gross margin	33.9%	33.4%	36.0%	30.8%	31.4%

Working capital

Working capital consists of trade and other receivables, accounts payables, inventory, public duties payable and other current liabilities.

OPEX

OPEX is defined as other operating expenses including personnel expenses but excluding depreciation and amortization.

	Q3'24	Q3'23	YTD 24	YTD 23	FY23
Other operating expenses	209	218	669	671	931
+ Personnel expenses	408	408	1 135	1 217	1 657
= OPEX	617	626	1 804	1 889	2 588

Net interest-bearing debt (NIBD)

Net interest-bearing liabilities is defined as non-current interest-bearing debt and current interest-bearing liabilities less cash and cash equivalents. NIBD does not include lease liabilities due to IFRS 16. Net debt is a measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength.

	YTD 24	YTD 23	FY23
Non-Current Interest-Bearing liabilities	1 029	229	276
+ Current Interest-Bearing liabilities	137	1 015	1 006
÷ Deposit Tax Debt	15	0	0
÷ Cash and Cash Equivalents	137	357	406
÷ Cash and Cash Equivalents (AHS)	0	25	0
= Net Interest-Bearing Debt	1 013	862	876

CAPEX

Capital expenditure is the sum of purchases of fixed assets and intangible assets as used in our cash flow. Capex is a measure of investments made in the operations in the relevant period and is useful to users of XXL's financial information in evaluating the capital intensity of the operations.

Liquidity reserve

Our liquidity reserve is defined as our available cash and cash equivalents plus available liquidity through overdraft and credit facilities.

	YTD 24	YTD 23	FY23
Cash and Cash Equivalents	137	357	406
+ Cash and Cash Equivalents (AHS)	0	25	0
+ Undrawn Credit Facilities	219	400	354
= Liquidity reserve	356	782	760

Ecommerce

Ecommerce is sales through online sales channels in comparison to sales through retail stores that are physical stores.

Inventory per store

Total inventory divided on number of stores and number of E-commerce markets at end of period.

$$\text{Inventory per store} = \frac{\text{Inventory}}{(\text{Number of stores} + \text{Ecom markets})}$$

IFRS 16 effects affecting EBITDA and EBIT

IFRS 16 was implemented for the Group 1 January 2019. EBITDA ex IFRS 16 effects and EBIT ex IFRS 16 effects represent our EBITDA and EBIT if IFRS 16 had not been implemented, respectively.

Q3'24	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	5	88	35	11	-128
IFRS 16 effects OPEX	-156	-64	-46	-32	-14
EBITDA ex IFRS 16 effects	-150	24	-11	-21	-143
EBIT Reported	-191	12	-12	-27	-164
IFRS 16 effects affecting EBIT	-9	-2	-1	1	4
EBIT ex IFRS 16 effects	-200	10	-11	-26	-160

YTD 24	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	56	341	60	34	-380
IFRS 16 effects OPEX	-477	-193	-145	-95	-41
EBITDA ex IFRS 16 effects	-421	148	-85	-61	-421
EBIT Reported	-530	108	-89	-81	-468
IFRS 16 effects affecting EBIT	-47	-6	-33	-2	-5
EBIT ex IFRS 16 effects	-578	102	-122	-83	-473

www.xxlasa.com/investor

FINANCIAL CALENDAR

Q4 Results	07.02.2025:
Q1 Results	29.04.2025:
Annual General Meeting	04.06.2025:
Q2 and H1 2025 Results	11.07.2025:
Q3 Results	29.10.2025:

INVESTOR CONTACT

Contact person: Tolle Grøterud
E-mail: ir@xxlasa.com
Phone: +47 90272959