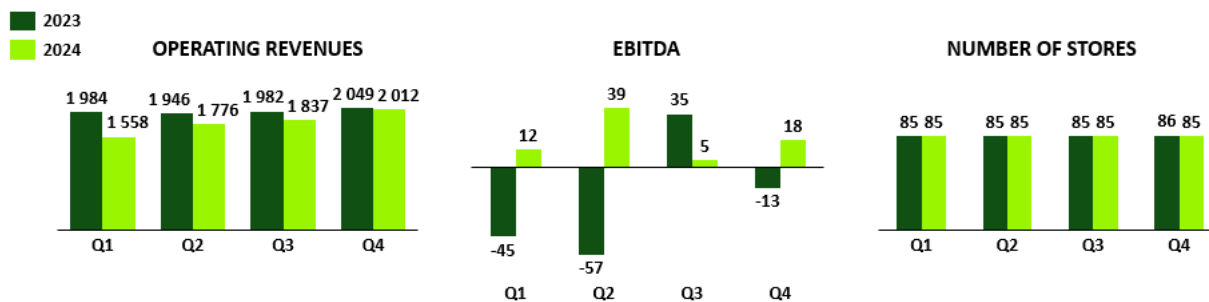
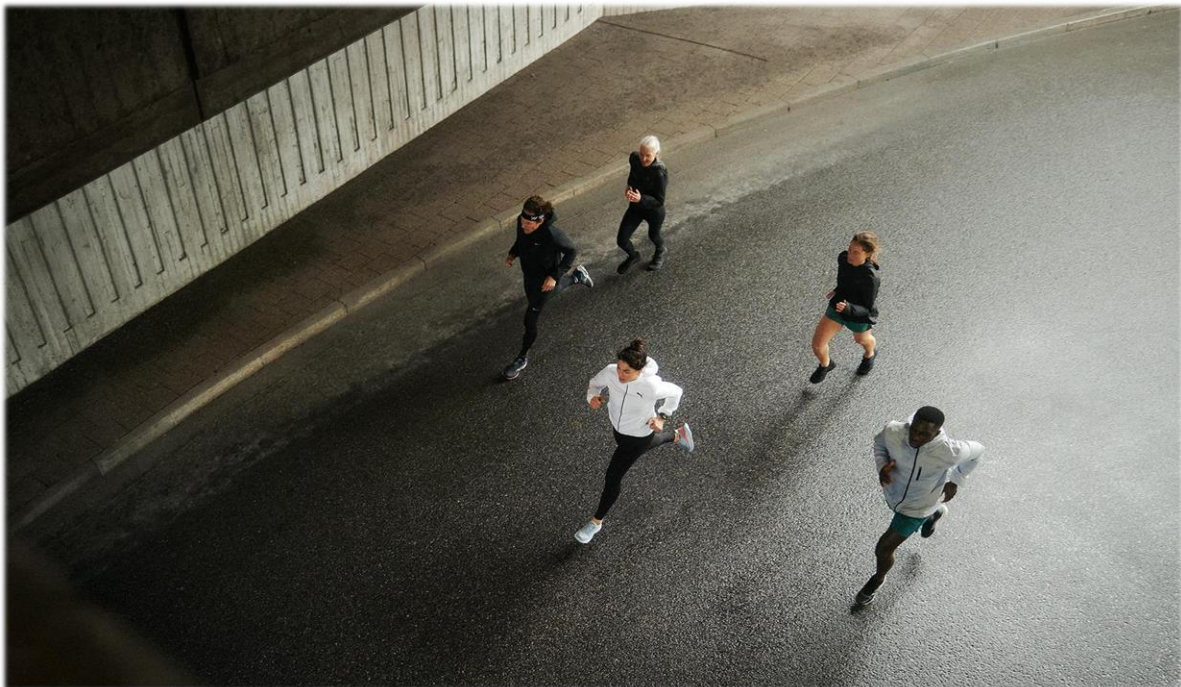


HIGHLIGHTS¹

- Total operating revenues of NOK 2.0 billion (NOK 2.0 billion) as sales recovery continues in a challenging market, with Sweden leading the way
- Increased sales resilience driven by strengthened campaign execution and activation of non-seasonal categories to compensate for lower sales of seasonal products
- Positive EBITDA of NOK 18 million (negative of NOK 13 million), driven by underlying cost savings and positive gross margin development
- Extraordinary write-down of goodwill of NOK 670 million
- Positive sales trajectory continued in January 2025, with more than 4 per cent growth in total operating revenues

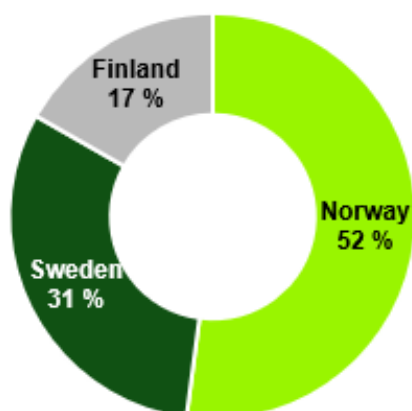


1) Please refer to definitions at the end of the report for descriptions of alternative performance measures that are used in highlights and key figures

KEY FIGURES GROUP

<i>(Amounts in NOK million)</i>	Q4 2024	Q4 2023	FY 2024	FY 2023
GROUP				
Operating revenue	2 012	2 049	7 183	7 961
Growth (%)	-1,8 %	-9,5 %	-13,1 %	-5,5 %
Gross profit	719	687	2 580	2 509
Gross margin (%)	35,7 %	33,5 %	35,9 %	31,5 %
OPEX %	34,8 %	34,2 %	34,9 %	32,5 %
EBITDA	18	-13	74	-80
EBITDA margin (%)	0,9 %	-0,6 %	1,0 %	-1,0 %
EBIT	-841	-767	-1 371	-1 409
EBIT margin (%)	-41,8 %	-37,4 %	-19,1 %	-17,7 %
Impairment losses	670	576	670	576
EBIT adj.	-171	-191	-701	-833
EBIT adj. margin (%)	-8,5%	-9,3%	-9,8%	-10,5%
Net Income	-965	-979	-1 717	-1 590
Net Income adj.	-295	-403	-1 047	-1 014
Basic Earnings per share (NOK)	-39,15	-58,84	-77,70	-193,14
Average number of shares (1 000 shares)	24 636	16 631	22 103	8 230
Cash provided by operating activities	10	207	-34	198
Like for like revenue growth	-4,0 %	-12,0 %	-11,7 %	-9,3 %
Number of stores at period end	85	86	85	86
New stores in the period	-	1	-	2
Closed stores in the period	-	-	1	-

Revenue Split Q4 2024



(Amounts in NOK million)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Norway				
Operating revenue	1 048	1 068	3 643	4 049
Growth (%)	-1,8 %	-11,1 %	-10,0 %	-7,9 %
Gross profit	385	385	1 356	1 342
Gross margin (%)	36,7 %	36,0 %	37,2 %	33,1 %
OPEX %	23,1 %	23,5 %	23,9 %	22,6 %
EBITDA	143	134	484	425
EBITDA margin (%)	13,7 %	12,5 %	13,3 %	10,5 %
Number of stores at period end	39	39	39	39
New stores in the period	-	1	-	1
Closed stores in the period	-	-	-	-
Sweden				
Operating revenue	627	604	2 258	2 387
Growth (%)	3,7 %	-6,5 %	-5,4 %	-4,1 %
Gross profit	216	173	772	672
Gross margin (%)	34,5 %	28,7 %	34,2 %	28,2 %
OPEX %	25,9 %	30,7 %	29,1 %	29,3 %
EBITDA	54	-12	114	-28
EBITDA margin (%)	8,6 %	-2,0 %	5,1 %	-1,2 %
Number of stores at period end	30	30	30	30
New stores in the period	-	-	-	1
Closed stores in the period	-	-	-	-
Finland				
Operating revenue	337	377	1 281	1 525
Growth (%)	-10,6 %	-9,4 %	-16,0 %	-1,2 %
Gross profit	118	129	452	495
Gross margin (%)	35,0 %	34,3 %	35,2 %	32,5 %
OPEX %	31,0 %	29,2 %	31,5 %	28,1 %
EBITDA	14	19	48	67
EBITDA margin (%)	4,0 %	5,1 %	3,7 %	4,4 %
Number of stores at period end	16	17	16	17
New stores in the period	-	-	-	-
Closed stores in the period	-	-	1	-
HQ & logistics				
EBITDA	-192	-153	-572	-544
EBITDA margin (% of Group revenues)	-9,6 %	-7,5 %	-8,0 %	-6,8 %

Sales turnaround materializing, despite challenging market conditions – Sweden leading the way and positive growth for the Group in January 2025

Oslo, 6 February 2025: XXL delivered total operating revenue of NOK 7.2 billion in 2024 in a Nordic sporting goods market that persisted to be challenging. Record low inventory had a negative impact on product availability and hence on topline development. Consequently, XXL is currently executing a rights issue of NOK 600 million, with adjustments to its current loan agreements, to support efforts in regaining top line growth and continue to deliver on XXL's "Reset & Rethink" plan. XXL sees positive effects of the cost out program as well as a strengthened gross margin. EBITDA for the year amounted to NOK 74 million, compared to negative NOK 80 million in 2023. However, EBITDA improvements are hampered by the continued negative market development in the Nordics for sporting and outdoor goods, where the expected 2024 recovery in consumer demand has not materialized, and where the outlook on a market recovery is delayed until later in 2025. Going into the new year, XXL has generated growth of more than 4 per cent in January 2025.

XXL continued to see sales recovery quarter over quarter, but still delivered negative year over year growth of 1.8 per cent, in the fourth quarter of 2024. Total operating revenue amounted to NOK 2.0 billion (NOK 2.0 billion). The market remained challenging, also impacted by muted winter conditions compared to the fourth quarter last year. However, XXL was still able to generate sales growth in Sweden and improved overall sales development throughout the quarter. EBITDA amounted to NOK 18 million (negative of NOK 13 million). EBITDA improvement was driven by underlying savings in operating expenses and an increased gross margin, but was at the same time held back by costs related to the group's current financing process as well as a precautionary VAT provision. XXL has also made a further impairment of its goodwill leading to an extraordinary write-down of NOK 670 million, which has no liquidity effect.

Looking ahead, XXL will remain committed to delivering sales growth through execution of the Reset & Rethink plan, continuing to reduce costs as well as exhibiting strong inventory and liquidity control, all to strengthen its position as the leading mass-market sports retailer in the Nordics.

Fourth quarter 2024 review

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

Total operating revenue in the fourth quarter of 2024 ended at NOK 2 012 million (NOK 2 049 million) which represented a decline of 1.8 per cent. The overall market remained challenging, especially in Finland, but XXL experienced continued sales recovery and growth in Sweden and improved sales development in Norway throughout the quarter. Revenue recovery has now been consistent, quarter over quarter, since Q1 2024. Sales development started off with negative growth in October but improved in Black Weeks and Christmas, despite muted winter conditions. XXL experienced lower demand in winter products, but was able to successfully compensate by activating more non-seasonal products, and consequently generating growth in core categories within running, training and biking. However important winter products like cross country skis, base layer clothing and skates were in decline. In the quarter XXL experienced growth of 1.1 per cent in the E-commerce sales channel, now representing 25.9 per cent (24.4 per cent) of total operating revenue for the Group.

In Q4 2023 XXL introduced bonus- points and checks to its customer loyalty program "XXL Reward" which led to a provision of NOK 70 million in that quarter, directly impacting the total operating revenue and gross margin. The corresponding provision in Q4 2024 was around NOK 10 million. The member base now exceeds 4.2 million members (3.5 million members) across the Nordics, and will increasingly be an important loyalty and sales driver for the group, in the short as well as long term.

XXL has continued to emphasize strict liquidity control and stock management by prioritizing sales volume over gross margin optimization, also due to poor winter conditions. The gross margin thus ended at 35.7 per cent (33.5 per cent), with margins improving throughout the quarter, following intense end of season campaigns for capital-intensive hardware goods early in the quarter, driven by good campaign execution with sales growth during Black Weeks and Christmas. Gross margin development in the quarter was also driven by a healthier inventory composition as well as increasing Private Label share.

Operating expenses as a percentage of sales increased to 34.8 per cent in the fourth quarter of 2024 (34.2 per cent) due to costs related to the ongoing financing of the Group. In addition, as a precautionary measure, XXL has made a provision of NOK 39 million due to an ongoing VAT dispute with the Norwegian tax authorities related to certain campaigns in the years 2015-2020, and where XXL now expects a final conclusion from the tax authorities during Q2 2025. However, the cost out program and restructuring effects are starting to materialize and absolute costs are down by around NOK 43 million in Q4 2024 versus Q4 2023 on same currency basis and excluding non-recurring costs.

The Group EBITDA in the fourth quarter 2024 ended at NOK 18 million (negative of NOK 13 million), mainly explained by the higher gross margin described above.

XXL had total liquidity reserves of NOK 341 million (NOK 760 million) and a net interest-bearing debt of NOK 1 196 million (NOK 876 million) by the end of Q4 2024. XXL has thus continued to prioritize strict liquidity and inventory control. However, XXL is currently in the process of executing a rights issue of NOK 600 million, with adjustments to its current loan agreements, to enable working capital investments in order to support efforts in strengthening top line growth and continue to deliver on the "Reset & Rethink" plan. An extraordinary general meeting approved the rights issue on 29 January 2025 and the expected closing of the transaction is during the second half of March 2025.

XXL has made an impairment of its goodwill, leading to an extra ordinary write-down of NOK 670 million, and a NOK 70 million of write-down of its deferred tax asset, neither of which have a cash or liquidity effect.

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

- Reset category strategies
- Secure product availability
- Improve store sales strategies and operations
- Strengthen pricing processes
- Increase e-commerce profitability

The identified must win battles are expected to deliver an EBITDA run-rate uplift of NOK 500-750 million, conditional of sufficient availability of products in key seasonal categories and positive market development for sporting and outdoor goods in the Nordics.

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 1 048 million in the fourth quarter of 2024 compared to NOK 1 068 million in the same quarter last year, representing a negative growth of 1.8 per cent. XXL experienced growth in low price points as well as non-seasonal categories like running, training and bikes, partly counteracting lower sales within higher price points and winter categories.

Gross margin improved to 36.7 per cent (36.0 per cent), driven by healthier inventories and increased Private Label share and lower provision for bonus points in XXL's loyalty program "XXL Reward".

Operating expenses as a percentage of sales ended at 23.1 per cent (23.5 per cent) due to cost reductions more than offsetting negative sales development.

EBITDA amounted to NOK 143 million (NOK 134 million).

Sweden

Total operating revenue for XXL in Sweden in Q4 2024 amounted to NOK 627 million (NOK 604 million) corresponding to a growth of 3.4 per cent in local currency. The Swedish market is improving and XXL has growth in several categories, but still somewhat hampered by lower demand and sales of winter related products. The sales growth was further driven by strong execution of Black Weeks and Christmas.

Gross margin improved to 34.5 per cent (28.7 per cent) driven by healthier inventory levels, good campaign execution and the lower provision for bonus points in XXL's loyalty program "XXL Reward".

Operating expenses as percentage of sales ended at 25.9 per cent (30.7 per cent) due to cost reductions and growth improving scale in the operations.

EBITDA was NOK 54 million (negative of NOK 12 million), driven by growth, strengthened gross margin and cost efficiency.

Finland

Total operating revenue in the quarter amounted to NOK 337 million (NOK 377 million). This corresponded to a negative growth of 11.3 per cent in local currency in a still challenging market with weak consumer sentiment and low demand. In March 2024 XXL closed its store in Redi, Helsinki, explaining around NOK 8 million of the sales shortfall in Q4 versus last year.

Gross margin ended at 35.0 per cent (34.3 per cent) mainly due to the lower provision for bonus points in XXL's loyalty program "XXL Reward".

Operating expenses as percentage of sales ended at 31.0 per cent in Q4 2024 (29.2 per cent) due to negative growth hurting scale in the operations.

EBITDA amounted to NOK 14 million in Q4 2024 (NOK 19 million).

HQ and Logistics

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

Operating expenses were NOK 192 million (NOK 153 million) in Q4 2024 due to costs related to the ongoing financing of the Group. In addition, as a precautionary measure, XXL has made a provision of NOK 44 million (of which NOK 38 million with EBITDA effect) due to an ongoing VAT dispute with the Norwegian tax authorities related to certain campaigns in the years 2015-2020, and where XXL now expects a final conclusion from the tax authorities during Q2 2025. Adjusted for non-recurring items the absolute costs were reduced in the quarter. The underlying 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 – Fourth quarter 2024

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

Total operating revenue decreased by 1.8 per cent to NOK 2 012 million (NOK 2 049 million).

Total operating expenses excluding depreciation, impairment losses and cost of goods sold equaled NOK 701 million (NOK 699 million) in the Q4, including a negative currency effect of NOK 2 million. In Q4 2024 a net of NOK 46 million in non-recurring costs were incurred, compared to non-recurring effects of NOK 10 million last year. As a percentage of the total operating revenue of the Group, operating expenses increased from 34.2 per cent last year to 34.8 per cent in 2024.

Operating income amounted to a negative NOK 841 million (negative NOK 767 million). The negative change of NOK 74 million is mainly explained by the goodwill impairment of NOK 670 million (NOK 576 million), an increase in non-recurring costs of NOK 36 million, partly offset by lower reward accruals in Q4 2024.

Net financial expense amounted to NOK 35 million for the fourth quarter (net financial expense of NOK 46 million) of which NOK 19 million is related to IFRS 16 effects compared to NOK 20 million in Q4 2023. Net interest expense at NOK 15 million, of which NOK 6 million relates to the ongoing VAT case, (NOK 7 million).

Income tax expense for the fourth quarter was NOK 89 million (NOK 166 million). The tax expense for the quarter is primarily due to a re-assessment of deferred tax assets due to uncertainty around utilization of tax losses carried forward.

Profit for the period negative of NOK 965 million (negative

NOK 968 million).

Consolidated income statement – 2024

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

Total operating revenue decreased by 13.1 per cent to NOK 7 183 million (NOK 7 961 million).

Total operating expenses excluding depreciation, impairment losses and cost of goods sold equaled NOK 2 505 million (NOK 2 588 million) in 2024. As a percentage of total operating revenue of the Group, operating expenses increased from 32.5 per cent last year to 34.9 per cent in 2024. Underlying cost saving adjusted for currency is NOK 113 million, including non-recurring costs in Q4 2024.

Operating income amounted to a negative NOK 1 371 million (negative NOK 1 409 million). The change is explained by improvement in gross profit and reduction in OPEX, partly offset by NOK 94 million larger impairment in 2024.

Net financial expense amounted to NOK 183 million for 2024 (net financial expense of NOK 186 million) whereof expense of NOK 79 million is related to IFRS 16 effects compared to NOK 86 million in 2023. Net interest expenses ended at NOK 105 million (NOK 90 million). The increase in interest expense is mainly attributed to provisions related to MAP/APA and the ongoing VAT dispute. Net financial expense included a negative currency effect of NOK 13 million (negative of NOK 6 million). Other financial expenses of NOK 13 million (NOK 16 million) were related to amortization of loan costs and other financial costs.

Income tax expense for 2024 was NOK 164 million (negative NOK 5 million). 2024 tax expense is primarily driven by the MAP/APA negotiations finalized in 2024 and due to a re-assessment of deferred tax assets due to uncertainty around utilization of tax losses carried forward.

Profit for the period from ended at negative NOK 1 717 million (negative NOK 1 590 million).

Consolidated cash flow – 2024

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

Cash used for operating activities was negative at NOK 34 million (NOK 198 million). Operational cash flow in 2023 was boosted by the Q1 clearance sale and inventory build-down.

Cash used by investing activities was NOK 85 million in 2024 (NOK 129 million). Investments have been made in necessary IT infrastructure and to downsize and relocate stores.

Cash used for financing activities was NOK 116 million in 2024 (negative of NOK 285 million). In 2024 XXL raised 560 in equity and repaid on the Swedish tax liability by NOK 31 million.

Financial position and liquidity

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

As of 31 December 2024, total assets amounted to NOK 6 380 million (NOK 7 542 million). Total equity was NOK 1 201 million (NOK 2 310 million), resulting in an equity ratio of 18.8 per cent (30.6 per cent). The net interest-bearing debt (NIBD) was NOK 1 196 million (NOK 876 million).

The Group had cash and cash equivalents of NOK 166 million (NOK 406 million) as of 31 December 2024. In addition the Group's liquidity reserves include total credit facilities of NOK 1 000 million where NOK 825 million was used as of 31 December 2024. Available liquidity reserves as of 31 December 2024 were NOK 341 million (NOK 760 million). In the fourth quarter 2023 XXL had NOK 1 300 million in total credit facilities, which was reduced by NOK 300 million in second quarter 2024 and thus affecting the liquidity measurement.

In September 2023 XXL received NOK 500 million from the rights issue, while receiving NOK 187 million in a bridge loan in November 2024, thus explaining the change in cash level in 2024.

Fully underwritten rights issue of NOK 600 million

XXL is currently in the process of executing a fully underwritten rights issue in the amount of NOK 600 million at a subscription price of NOK 10 per share, which was approved by an EGM on 29 January 2025. Each existing shareholder as of 29 January 2025 (and being registered as such in Euronext Securities Oslo, the Norwegian Central Securities Depository (CSD) at the expiry of 31 January 2025 (the Record Date)) will be granted 2.4355 subscription rights for each share registered as held by the shareholder. Each subscription right gives the right to subscribe for one new share. The shares of XXL ASA traded exclusive subscription rights as of 30 January 2025. The subscription period in the rights issue will commence on 28 February 2025 at 09:00 hours (CET) and expire at 16:30 hours (CET) on 14 March 2025. The subscription rights will be tradeable until four trading days prior to the end of the subscription period. The payment for the new shares shall be made on or prior to 19 March 2025. The rights issue, and its timeline, is subject to publication of a prospectus for offering and listing of the new shares as approved by the Financial Supervisory Authority of Norway.

XXL has in February 2025 increased the bridge loan agreement with DNB Bank ASA and Nordea Bank Abp from up to NOK 200 million to up to NOK 300 million.

Restricted share units program

As previously disclosed, the restricted share units program for 2022 expires after the Q4 2024 report. Consequently the exercise window opens 7 February 2025 and commence until 17 February 2025.

Outlook and trading update

Total operating revenues for the Group in January 2025 increased by 4.4 per cent to around NOK 576 million with a stable gross margin year-over-year. The month was characterized by high volatility related to the "on-and-off" winter conditions. In light of the timeline for the ongoing financing of the Group, XXL will short term prioritize strict inventory and liquidity measures, which can impact the Group's availability of products as well as realized gross margin short- to mid-term.

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.

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 2025 is expected to remain at around NOK 100 million.

XXL has thus far one new store opening signed for 2025. 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 us 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	Q4 2024	Q4 2023	FY 2024	FY 2023 (Audited)
Total Operating Revenue		2 012	2 049	7 183	7 961
Cost of goods sold		1 293	1 362	4 603	5 452
Personnel expenses		425	440	1 560	1 657
Other operating expenses		276	259	945	931
Depreciation		189	178	775	754
Impairment losses	11	670	576	670	576
Total Operating Expenses		2 853	2 815	8 554	9 369
Operating Income		-841	-767	-1 371	-1 409
Net financial expense		-35	-46	-183	-186
Profit before income tax		-876	-813	-1 553	-1 595
Income tax expense	9,10	89	166	164	-5
Net income from Continuing Operations		-965	-979	-1 717	-1 590
Net income from Discontinued Operations		-	-83	-	-206
Net income for the Period		-965	-1 061	-1 717	-1 796
Basic and diluted Earnings per share from continuing operations (NOK)		-39,15	-58,84	-77,70	-193,14
Basic and diluted Earnings per share (NOK)		-39,15	-63,82	-77,70	-218,18
Other comprehensive income					
Foreign currency rate changes		4	52	55	17
Total Other Income and Expense		4	52	55	17
Total comprehensive income for the period		-961	-1 009	-1 662	-1 779
Total comprehensive income attributable to:					
Equity holders of the company		-954	-974	-1 650	-1 721
Non-controlling interest		-7	-35	-12	-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	31.12.2024	31.12.2023 (Audited)
NON CURRENT ASSETS			
Intangible Assets			
Goodwill	11	1 552	2 222
Other Intangible Assets		264	270
Deferred tax asset	10	183	253
Total Intangible Assets		1 999	2 745
Fixed Assets		417	490
Right of Use Assets	8	1 667	1 804
Total Non Current Assets		4 082	5 039
CURRENT ASSETS			
Inventory		1 818	1 776
Trade and Other Receivables		313	320
Cash and Cash Equivalents		166	406
Total Current Assets		2 298	2 502
TOTAL ASSETS		6 380	7 542

<i>(Amounts in NOK million)</i>	Note	31.12.2024	31.12.2023 (Audited)
SHAREHOLDERS' EQUITY			
Paid-in Capital		4 618	4 065
Other equity		-3 417	-1 754
Total Shareholders' Equity		1 201	2 310
Other non-current liabilities			
Interest Bearing Non-Current Liabilities		1 041	276
Lease Liabilities	8	1 376	1 528
Total non-current liabilities		2 417	1 804
Current liabilities			
Accounts Payable		885	908
Lease Liabilities	8	588	585
Current Interest Bearing Liabilities		322	1 006
Tax payable		9	28
Public duties payable		338	342
Other current liabilities		620	560
Total current liabilities		2 762	3 428
TOTAL LIABILITIES		5 179	5 232
TOTAL EQUITY AND LIABILITIES		6 380	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>	Q4 2024	Q4 2023	FY 2024	FY 2023 (Audited)
Operating Activities				
Profit before tax from continued operations	-875	-785	-1 553	-1 595
Income tax paid	-19	-	-19	-
Depreciation and amortization	859	754	1 445	1 330
Net financial expense	26	12	140	165
Changes in inventory	-61	238	-42	552
Changes in accounts receivable	6	-21	7	-44
Changes in accounts payable	-139	-238	-24	-340
Changes in other balance sheet items	214	257	12	103
Cash provided (used) by operating activities from discontinuing operations	-	-10	-	28
Net cash flow from operating activities	10	207	-34	198
Investing Activities				
Investment in fixed assets	-19	-39	-85	-129
Net cash flow from investing activities	-19	-39	-85	-129
Financing Activities				
Proceeds from share capital increase	-	-	560	1 001
Transaction costs	-	-	-14	-35
Payments from borrowing	256	1	317	-
Repayments of long-term debt	-25	-	-244	-774
Payment of short-term debt	-	-	-	342
Repayments of short-term debt	-31	-	-31	-
Interest payments on interest-bearing liabilities	-7	-26	-62	-95
Payment of Interest element of lease payments	-19	-20	-79	-84
Payments of lease liabilities	-145	-137	-563	-607
Cash provided (used) by financing activities from discontinuing operations	-	-	-	-33
Net cash flow from financing activities	28	-181	-116	-285
Net Change in Cash and Cash Equivalents	19	-13	-235	-216
Cash and cash equivalents - beginning of period	137	382	406	575
Effect of foreign currency rate changes on cash and equivalents	10	13	-5	24
Cash and Cash Equivalents (AHS) - End of period	-	23	-	23
Cash and Cash Equivalents - End of period	166	406	166	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	-	-	-	-1 731	-	-64	-1 796
Foreign currency rate changes	-	-	-	-	17	-	17
Total comprehensive income for the interim period	-	-	-	-1 731	17	-64	-1 779
Transactions with owners:							
Employee share incentive program	-	-	3	-	-	-	3
Share issue	564	455	-	-	-	-	1 020
Shareholders' Equity 31.12.2023	665	3 355	44	-1 670	-30	-54	2 310
Shareholders' Equity 31.12.2023	665	3 355	44	-1 670	-30	-54	2 310
Profit for the Period	-	-	-	-1 705	-	-12	-1 717
Foreign currency rate changes	-	-	-	-	55	-	55
Total comprehensive income for the interim period	-	-	-	-1 705	55	-12	-1 662
Transactions with owners:							
Employee share incentive program	-	-	4	-	-	-	4
Share issue	320	229	-	-	-	-	550
Shareholders' Equity 31.12.2024	986	3 585	48	-3 376	25	-66	1 201

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 twelve-month reporting periods ending 31 December 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:

Q4 2024

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Segment
Operating revenue	1 048	627	337	-	2 012
Gross profit	385	216	118	-	719
EBITDA	143	54	14	-192	18
Operating Income	-595	-2	-23	-221	-841

Q4 2023

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	1 068	604	377	-	2 049
Gross profit	385	173	129	-	687
EBITDA	134	-12	19	-153	-13
Operating Income	-455	-110	-19	-182	-767

FY 2024

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total Segment
Operating revenue	3 643	2 258	1 281	-	7 183
Gross profit	1 356	772	452	-	2 580
EBITDA	484	114	48	-572	74
Operating Income	-486	-91	-104	-690	-1 371

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.

During Q4 2024 the Group entered into a fully guaranteed NOK 200 million Bridge Loan with DNB Bank ASA and Nordea Bank Abp. The loan is fully guaranteed by existing major shareholders of the group; Altor Invest 5 AS, Altor Invest 6 AS and Ferd AS (The Guarantors). The Guarantors shall receive a guarantee fee of 5 per cent that shall be settled by new shares in the Company ("Guarantee Fee Shares") at the same subscription price as in the Rights Issue.

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	415
Change incentives	-7
Net exchange differences	67
Aquisition costs 31.12.2024	5 133
Accumulated depreciation and impairment losses 01.01.2024	-2 854
Depreciation	-565
Impairment losses (-) Reversal of losses (+)	0
Transfers and reclassifications	0
Currency exchange differences	-47
Accumulated depreciation and impairment 31.12.2024	-3 467
Right-of-Use Assets at 31.12.2024	1 667

Lease liabilities

(Amounts in NOK million)

Summary of the lease liabilities in the financial statements

Lease liabilities 01.01.2024	2 112
New lease liabilities recognised in the period and adjustments	408
Lease payments	-661
Interest expense on lease liabilities	79
Reassessment of the discount rate on previous lease liabilities	0
Currency exchange differences	26
Lease liabilities at 31.12.2024	1 964

whereof:

Current lease liabilities < 1 year	588
Non-current lease liabilities > 1 year	1 376

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 was 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 will lead to payments in Norway before receiving repayments from Switzerland.

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 did 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.

No significant changes in the estimates in the fourth quarter.

Note 10 Tax

Deferred tax assets are only capitalized to the extent that it is probable that there will be sufficient future taxable profit for the tax asset to be used. If it is unlikely that future profits will be sufficient to absorb the tax-reducing temporary differences, deferred tax

assets are not recognized. As of 31 December, NOK 2 493 million of temporary differences (2023: NOK 1 527 million), primarily related to tax losses carried forward, no deferred tax assets are recognized for. Unrecognized deferred tax assets amount to NOK 549 million as of 31 December 2024.

Note 11 Goodwill impairment loss

The Group's recorded goodwill per 31 December 2024 is NOK 1 552 million (2023: NOK 2 222 million) which is fully allocated to the Norwegian segment. The initial recognized goodwill was NOK 2 734 million related to the acquisitions of XXL Sport & Villmark AS in 2010 and NOK 10 million related to the acquisition of West Systems Norge AS in 2019. The carrying value is allocated to the group of cash generating units (CGU) comprised of the stores in Norway (part of the operating segment Norway). The management evaluates and monitors the goodwill based on the performance on an operating segment level. The recoverable amount of each operating segment is calculated based on a value in use method. In accordance with IFRS, we have used a 5-year budget period and terminal value in the impairment model. Both Goodwill and Trademark are included in the assessment for impairment. The impairment testing includes estimates such as gross margin, cash flows, growth rates and calculation of cost of capital. These estimates may change over time and are currently impacted by higher interest levels.

Based on the impairment testing performed in the fourth quarter, the goodwill is impaired by NOK 670 million.

Assumptions in the impairment test model

Future cash flows

Future cash flows are based on two weighted scenarios with five years of forecast and a terminal value. The first scenario have a 55% weight, the second scenario having a 45% weight.

Growth rates and margins

The planned average revenue growth in the period 2025-2029 is 4.7% and the long-term growth in terminal value is set to 2%. Average growth in gross margin in the period 2025-2029 is 5.4%. The growth rate is based on expected sales in both physical stores and E-com. In 2024 sales have declined, but gross margin was improved, and with the execution of the "Reset & Rethink" plan as well as a normalization of market conditions an improvement in sales is expected going forward. The EBITDA margin is estimated based on the current margin level and expected future market developments. The gross margin in the industry has been lower in the past three years compared to previous periods due to the low consumer confidence and reduced demand for sporting products. Both gross margin and EBITDA margin is expected to return to historical levels. The margin estimate is uncertain and will be affected by several elements in the coming years, including but not limited to, changes in freight and commodity cost.

Cost of capital

Future cash flows are discounted to present value using the weighted average cost of capital (WACC). XXL have used a short term WACC for 2025 and a long term WACC for later years. The weighted average WACC is estimated to be 12.7% pretax (10.6% after tax), and is based on a risk-free interest rate, a risk premium and cost of debt.

Sensitivity analysis in WACC

Change in after tax WACC	3,0 %	2,5 %	2,0 %	1,5 %	1,0 %	0,5 %	0,0 %	-0,5 %	-1,0 %	-1,5 %	-2,0 %	-2,5 %	-3,0 %
Impairment (-) / headroom (+)	-1 045	-997	-944	-886	-821	-750	-670	-581	-480	-364	-231	-77	106
Change from current	-375	-326	-274	-215	-151	-80	0	89	191	306	439	594	776

Sensitivity analysis in long term growth rate

These sensitivities are derived from changes in the terminal value.

Increase in the long-term growth rate of 0.5% points has an impact of NOK ~ 94 million.

Decrease in the long-term growth rate of 0.5% points has an impact of NOK ~ -84 million.

Sensitivity analysis of change in gross margin %

These sensitivities are derived of changing gross margin % without changing sales. I.e. only changing Cost of Goods Sold.

Gross Margin % change	1,0 %	0,5 %	0,0 %	-0,5 %	-1,0 %
Impairment (-) / headroom (+)	-260	-465	-670	-876	-1 081
Change from current	410	205	0	-205	-410

Note 12 Subsequent events

XXL has in February 2025 increased the bridge loan agreement with DNB Bank ASA and Nordea Bank Abp from up to NOK 200 million to up to NOK 300 million.

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.

	Q4'24	Q4'23	FY24	FY23
EBIT	-841	-767	-1 371	-1 409
+ Impairment Losses	670	576	670	576
= EBIT adj	-171	-191	-701	-833

Net Income Adj

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

	Q4'24	Q4'23	FY24	FY23
Net Income	-965	-968	-1 717	-1 590
+ Impairment Goodwill	670	576	670	576
= Net Income adj	-295	-392	-1 047	-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.

	Q4'24	Q4'23	FY24	FY23
Operating Income	-841	-767	-1 371	-1 409
+ Depreciation	189	178	775	754
+ Impairment losses	670	576	670	576
= EBITDA	18	-13	74	-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.

	Q4'24	Q4'23	FY24	FY23
Operating revenue	2 012	2 049	7 183	7 961
÷ Cost of goods sold	1 293	1 362	4 603	5 452
= Gross profit	719	687	2 580	2 508
Gross margin	35.7%	33.5%	35.9%	31.5%

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.

	Q4'24	Q4'23	FY 24	FY23
Other operating expenses	276	259	945	931
+ Personnel expenses	425	440	1 560	1 657
= OPEX	701	699	2 505	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.

	FY24	FY23
Non-Current Interest-Bearing liabilities	1 041	276
+ Current Interest-Bearing liabilities	322	1 006
÷ Cash and Cash Equivalents	166	406
÷ Cash and Cash Equivalents (AHS)	0	0
= Net Interest-Bearing Debt	1 196	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.

	FY24	FY23
Cash and Cash Equivalents	166	406
+ Cash and Cash Equivalents (AHS)	0	0
+ Undrawn Credit Facilities	175	354
= Liquidity reserve	341	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.

Q4'24	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	18	143	54	14	-192
IFRS 16 effects OPEX	-165	-65	-51	-35	-14
EBITDA ex IFRS 16 effects	-146	78	3	-21	-206
EBIT Reported	-841	-594	-2	-23	-222
IFRS 16 effects affecting EBIT	-29	-11	-14	-2	-2
EBIT ex IFRS 16 effects	-870	-606	-16	-25	-224

FY24	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	74	484	114	48	-572
IFRS 16 effects OPEX	-642	-259	-197	-130	-56
EBITDA ex IFRS 16 effects	-567	226	-82	-83	-628
EBIT Reported	-1 371	-486	-91	-104	-468
IFRS 16 effects affecting EBIT	-77	-19	-47	-3	-5
EBIT ex IFRS 16 effects	-1 447	-504	-138	-107	-473

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FINANCIAL CALENDAR

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

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