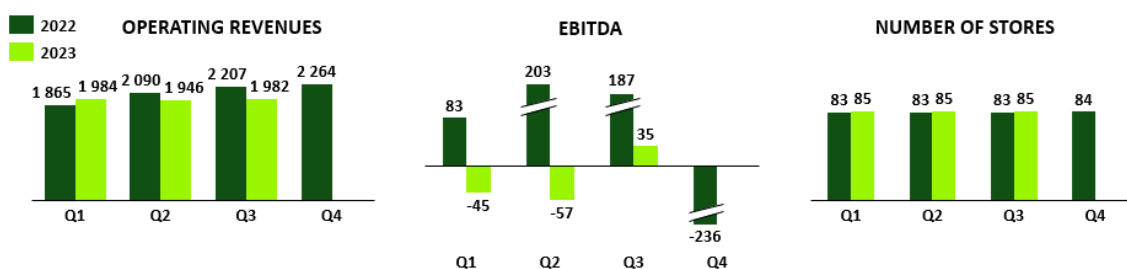


HIGHLIGHTS¹

- Unsatisfactory third quarter results - lower demand and challenging markets
- Total operating revenue of NOK 1 982 million (2 207 million)
- High share of campaign activities in the market
- EBITDA of NOK 35 million (NOK 187 million)
- Reset & Rethink plan progressing



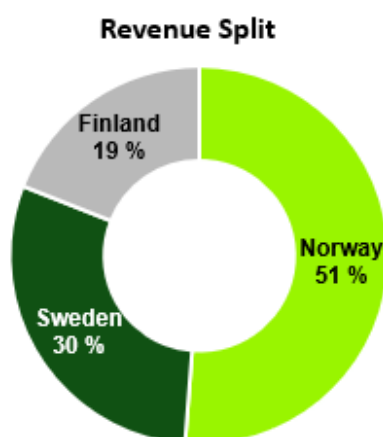
- 1) Please refer to definitions at the end of the report for descriptions of alternative performance measures that are used in highlights and key figures
- 2) All figures in the report are referring to XXL's Continuing Operations, unless otherwise stated. Please refer to Disclosure Note 10 for figures related to Austria Discontinued Operations

KEY FIGURES GROUP – Continuing Operations

(Amounts in NOK million)

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
GROUP Continuing Operations (Reported Figures)					
Operating revenue	1,982	2,207	5,911	6,162	8,426
Growth (%)	-10.2 %	-14.1 %	-4.1 %	-11.8 %	-12.2 %
Gross profit	662	770	1,821	2,273	2,721
Gross margin (%)	33.4 %	34.9 %	30.8 %	36.9 %	32.3 %
OPEX %	31.6 %	26.4 %	32.0 %	29.2 %	29.5 %
EBITDA	35	187	-67	473	237
EBITDA margin (%)	1.8 %	8.5 %	-1.1 %	7.7 %	2.8 %
EBIT	-155	54	-643	-61	-467
EBIT margin (%)	-7.8 %	2.4 %	-10.9 %	-1.0 %	-5.5 %
Net Income	-140	57	-611	-28	-411
**Basic Earnings per share (NOK)	-0.20	0.23	-1.32	-0.11	-1.63
**Average number of shares (1 000 shares)	692,987	252,437	462,256	252,437	252,437
Cash provided by operating activities	-235	492	-35	556	682
Like for like revenue growth	-12.8 %	-10.2 %	-5.4 %	-7.6 %	-12.1 %
Number of stores at period end	85	83	85	83	84
New stores in the period	-	1	1	1	2
Closed stores in the period	-	1	-	2	2

**Earnings per share: See Note 5.



KEY FIGURES SEGMENTS

SEGMENT

(Amounts in NOK million)

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Norway*					
Operating revenue	1,015	1,139	2,982	3,193	4,394
Growth (%)	-10.9 %	-11.4 %	-6.6 %	-8.4 %	-10.2 %
Gross profit	345	410	957	1,231	1,535
Gross margin (%)	34.0 %	36.0 %	32.1 %	38.5 %	34.9 %
OPEX %	23.5 %	19.2 %	22.3 %	19.9 %	19.9 %
EBITDA	106	191	291	597	661
EBITDA margin (%)	10.5 %	16.8 %	9.8 %	18.7 %	15.1 %
Number of stores at period end	38	37	38	37	38
New stores in the period	-	-	-	-	1
Closed stores in the period	-	-	-	-	-
Sweden					
Operating revenue	590	673	1,782	1,842	2,488
Growth (%)	-12.3 %	-16.3 %	-3.2 %	-13.5 %	-16.0 %
Gross profit	188	222	499	634	713
Gross margin (%)	31.8 %	33.1 %	28.0 %	34.4 %	28.7 %
OPEX %	26.7 %	22.2 %	28.8 %	26.7 %	27.4 %
EBITDA	30	73	-15	142	32
EBITDA margin (%)	5.1 %	10.8 %	-0.9 %	7.7 %	1.3 %
Number of stores at period end	30	29	30	29	29
New stores in the period	-	-	1	1	1
Closed stores in the period	-	-	-	2	2
Finland					
Operating revenue	377	395	1,148	1,127	1,543
Growth (%)	-4.5 %	-16.8 %	1.9 %	-11.2 %	-11.5 %
Gross profit	129	138	366	409	474
Gross margin (%)	34.2 %	34.9 %	31.9 %	36.3 %	30.7 %
OPEX %	26.4 %	22.8 %	27.8 %	25.8 %	25.4 %
EBITDA	29	48	47	118	82
EBITDA margin (%)	7.8 %	12.1 %	4.1 %	10.5 %	5.3 %
Number of stores at period end	17	17	17	17	17
New stores in the period	-	-	-	-	-
Closed stores in the period	-	-	-	-	-
HQ & logistics					
EBITDA	-130	-124	-390	-384	-538
EBITDA margin (% of Group revenues)	-6.6 %	-5.6 %	-6.6 %	-6.2 %	-6.4 %

*As of Q1 2022 Denmark Segment is incorporated in the Norway Segment (comparative numbers have also been changed)

Reset & Rethink initiatives progressing well in an unsatisfactory third quarter

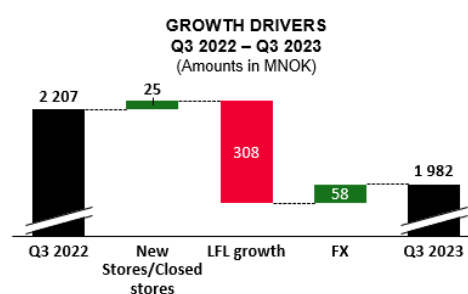
Oslo, 26 October 2023: XXL is currently working on several short-term actions and a longer-term strategic plan, called “Reset & Rethink”. Five must win battles are expected to deliver an EBITDA run-rate uplift of NOK 500-750 million during the next 12-24 months. This is progressing according to plan and most initiatives are expected to begin to yield positive financial contribution going into 2024 and beyond. In the quarter XXL successfully launched an upgraded version of its loyalty program, XXL Reward, allowing customers to earn bonus points on every purchase from XXL and consequently receive bonus checks. The strategy to increase the sales share of private label is already initially showing promising results, primarily driven by the partnership with Stormberg, which is off to a solid start with good sales numbers, incremental gross margin uplift and high stock turn over. In addition, exit agreements for the remaining three stores in Austria were signed in the quarter. Consequently, XXL will have no material operations or commitments in Austria after year end 2023.

XXL delivered a negative growth of 10 per cent in the third quarter 2023, compared to the same quarter last year, and total operating revenue equaled NOK 2.0 billion (NOK 2.2 billion). The sports and outdoor retail market continued to be challenging and was impacted by reduced demand, heavy discount activities and high inventory levels up streams in the value chain. Under such conditions XXL has prioritized liquidity and inventory control, leading to continued high campaign activities and lower gross margin. Consequently, EBITDA ended at NOK 35 million (NOK 187 million). The inventory is now back to normalized levels, providing potential for a higher gross margin over time. In the quarter XXL received the settlement of its oversubscribed rights issue of gross NOK 500 million, to strengthen its liquidity position accordingly. Total liquidity reserve in the quarter ended at NOK 782 million (NOK 817 million) and the net interest-bearing debt amounted to NOK 862 million (NOK 983 million).

Third quarter 2023 review

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

Total operating revenue in the third quarter 2023 ended at NOK 1 982 million (NOK 2 207 million) which represented a decline of 10.2 per cent. XXL’s markets continued to be challenging driven by low consumer confidence and reduced demand for sports and outdoor goods in general. The negative trend from the spring and summer season continued in the third quarter. September especially proved to be a challenging month with low effects of sales of seasonal autumn products. XXL continues to see better sales of consumables like clothing and shoes while more capital-intensive discretionary products in the hardware categories remain more challenging. E-commerce decreased by 14.6 per cent from Q3 2022 to Q3 2023, representing 18.0 per cent (18.9 per cent) of total operating revenue for the Group. Online sales have been more demanding after years of strong growth during the pandemic, also affected by the general market trend of less efficient online marketing. Overall XXL delivered a negative like for like growth of 12.8 per cent in the quarter.



The market is still characterized by high inventory levels in the whole value chain, resulting in aggressive pricing and excessive campaigns. XXL continues to see higher share of sales on campaign products impacting the gross margin, which ended at 33.4 per cent (34.9 per cent). The current market demands strict focus on inventory levels and liquidity control, which will lead to fluctuations in the gross margin between quarters and seasons.

Operating expenses as percentage of sales increased to 31.6 per cent in the third quarter this year (26.4 per cent) impacted by the negative like for like growth hampering scale in operations. Increased costs are related to new store

openings, increased marketing spend during clearance activities as well as costs related to the raise of new equity.

The Group EBITDA in the third quarter 2023 was NOK 35 million (NOK 187 million), mainly explained by negative growth as described above.

XXL had total liquidity reserves of NOK 782 million (NOK 817 million) and a net interest-bearing debt of NOK 862 million (NOK 983 million) by the end of Q3 2023. In the second quarter 2023 XXL received a temporary deferral of Swedish tax payments for 2021, which has resulted in a tax repayment for that year in the amount of SEK 345 million that improved the liquidity reserves accordingly. The deferred tax amount will become payable on 12 September 2024, provided that an extended 36 month payment plan is not accepted by Swedish tax authorities. XXL has booked the deferred tax payment as net interest-bearing debt. In addition, XXL received the settlement of a rights issue of NOK 500 million in September 2023.

XXL has continued to adapt purchasing volumes to sales and thereby normalized the inventory levels. The inventory decreased to NOK 2 015 million (NOK 2 878 million). In addition, CAPEX continues to be on historically record low levels. XXL targets to reduce CAPEX from 2023, and it is expected to remain on NOK 100-150 million per year moving forward.

XXL is currently working on several short-term actions and a longer-term strategic plan, called "Reset & Rethink", in order to improve profitability. Short term actions are based on resetting the operating model and ways of working. Five must win battles are also identified and is currently in execution

- 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 during the next 12-24 months.

In the quarter XXL has successfully agreed on termination fees for the remaining three stores in Austria. Consequently, XXL will have no operations and no material contractual obligations in Austria after year end 2023.

XXL has in September launched an improved version of its loyalty program with new member benefits including bonus points on all purchases for customers which translates to bonus checks that is expected to drive increased frequency, order values and overall loyalty.

Rethink is related to detailing out a longer-term strategic plan that will transform XXL into a sustainable, profitable and a once again winning concept in the market. The four long-term strategic pillars are;

- Restructure physical stores
- Accelerate E-commerce
- Double down on private label

- Leverage service offering

The longer-term strategic plan and targets are in process to be further detailed and planned.

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 1 015 million in the third quarter 2023 compared to NOK 1 139 million in the same quarter last year, representing a negative growth of 10.9 per cent. According to market figures from SSB as of August 2023, the sales of sporting goods in Norway decreased by 3.3 per cent. The corresponding figure for XXL was negative by 6.0 per cent.

Gross margin was impacted by high campaign activities under challenging market conditions. The gross margin decreased from 36.0 per cent in Q3 2022 to 34.0 per cent in Q3 2023.

Operating expenses as percentage of sales ended at 23.5 per cent (19.2 per cent) impacted by a negative like for like growth of 11.5 per cent hurting scale in the operations, as well as increased marketing costs.

EBITDA amounted to NOK 106 million (NOK 191 million). The main reason for the lower EBITDA was the decline in total operating revenue and the gross margin development as described above.

Sweden

According to market figures from SCB as of August 2023 the sale of sporting goods in Sweden increased by 1.0 per cent, while the corresponding negative growth for XXL was 5.7 per cent in local currency.

Total operating revenue for XXL in Sweden in Q3 2023 amounted to NOK 590 million (NOK 673 million) corresponding to a negative growth of 14.3 per cent in local currency. The driver was a negative like for like growth of 13.8 percent in local currency under weak and volatile market conditions with lower overall demand and high campaign activity in the market.

Gross margin decreased to 31.8 per cent (33.1 per cent) explained by high campaign activity, both in the market and by XXL, under challenging conditions.

Operating expenses as percentage of sales ended at 26.7 per cent (22.2 per cent) explained by the negative like for like growth hampering scale in operations as well as increased marketing costs.

EBITDA was NOK 30 million (NOK 73 million), driven by weak sales development and the lower gross margin.

Finland

Total operating revenue in the quarter amounted to NOK 377 million (NOK 395 million). This corresponded to a negative like for like growth of 15.0 per cent in local currency in a challenging market with weak consumer sentiment and low demand. According to market figures from TMA as of September 2023, the sale of sporting goods in Finland decreased by 3.3 per cent while XXL had a decline of 10.1 per cent in the same period.

Gross margin ended at 34.2 per cent (34.9 per cent) impacted by high campaign activities in a challenging market.

Operating expenses as percentage of sales ended at 26.4 per cent in Q3 2023 (22.8 per cent) due to negative like for like growth hurting scale in the operations. The cost base is on par with last year.

EBITDA ended at NOK 29 million in Q3 2023 (NOK 48 million) mainly driven by negative sales growth.

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 130 million (NOK 124 million) in Q3 2023. XXL has seen increased inflation on large cost elements like salaries and IT-licenses partly offset by reduced personnel costs at central HQ. The increase in absolute cost is mainly related to the raise of new equity and legal advisory. XXL is continuing to address the HQ cost base to adopt to the current sales development.

Financials

Consolidated income statement – Third quarter

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

Total operating revenue decreased by 10.2 per cent to NOK 1 982 million (NOK 2 207 million).

Total operating expenses excluding depreciation, impairment losses and cost of goods sold equaled NOK 626 million (NOK 583 million) in the third quarter. As percentage of total operating revenue of the Group, operating expenses increased from 26.4 per cent in the third quarter last year to 31.6 per cent in the third quarter this year.

Operating income amounted to negative NOK 155 million (NOK 54 million). The change is mainly explained by the lower total operating revenue and gross margin as described above.

Net financial expense amounted to NOK 34 million for the third quarter (net income of NOK 22 million) whereof NOK 21

million is related to IFRS 16 effects compared to NOK 19 million in Q3 2022. Net interest expenses ended at NOK 15 million (NOK 13 million). Net financial expenses included a positive currency effect of NOK 4 million compared to a positive currency effect of NOK 57 million last year. Other financial expenses of NOK 2 million were related to amortization of loan costs and other financial costs.

Income tax expense for the third quarter was negative by NOK 49 million (NOK 19 million).

Profit for the period from continuing operations ended at negative NOK 140 million (NOK 57 million).

Profit for the period from discontinued operations ended at negative NOK 25 million (negative NOK 16 million).

Profit for the period ended at negative NOK 165 million (NOK 42 million)

Consolidated cash flow – YTD 2023

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

Cash used by operating activities was at NOK 35 million (Positive NOK 556 million) YTD 2023. This was mainly attributable to the negative net income in the period partly offset by the positive development from decreased inventory levels.

Cash used by investing activities was NOK 90 million (NOK 112 million) YTD 2023.

Cash used by financing activities amounted to NOK 104 million (cash used of NOK 107 million) YTD 2023. The settlements from equity raises of NOK 1 001 million in 2023 has partly been offset by payments on debt and lease liabilities.

Financial position and liquidity

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

As of 30 September 2023, total assets amounted to NOK 8 520 million (NOK 9 527 million). Total equity was NOK 3 332 million (NOK 3 526 million), resulting in an equity ratio of 39.1 per cent (37.0 per cent). Net interest bearing debt (NIBD) ended at NOK 862 million (NOK 983 million).

The Group had cash and cash equivalents of NOK 382 million (NOK 514 million) as of 30 September 2023. The Group's liquidity reserves include total credit facilities of NOK 1 300 million where of NOK 900 million was used as of 30 September 2023. Available liquidity reserves as of 30 September 2023 were NOK 782 million (NOK 817 million).

New share capital

In Q3 2023 XXL conducted a fully underwritten rights issue, of NOK 0.40 per share and raised gross proceeds of NOK 500 million, to strengthen the liquidity of the Group. The rights issue was subject to approval by an extraordinary general

meeting, which was obtained on 17 August 2023. The Company's new registered share capital is NOK 665 429 772 divided into 1 333 866 762 ordinary shares (class A shares) and 329 707 668 non-voting shares (class B shares), in total 1 663 574 430 shares, each with a nominal value of NOK 0.40. The new share capital was registered with the Norwegian Register of Business Enterprises on 11 September 2023.

New members of the Executive Management team

Simen Swanstrøm Helly-Hansen has been appointed new EVP Category, Procurement & Supply Chain in XXL Group and will be part of the Executive Management Team from November 2023. Simen joins XXL with a strong and diverse international experience of more than 20 years in different senior positions within retail. He comes from the position as Director Category and Procurement in Vinmonopolet focusing on customer driven category and assortment development, procurement, replenishment and business development. Prior to Vinmonopolet Simen held several positions within Phoenix Group and Apotek1 (pharmaceuticals) including Director Commercial Relations in Phoenix Group Europe, Supply Chain Director Apotek1 and Category and Procurement Director Apotek1. He has also broad experience from car retail within Renault-Nissan UK, as a Product Manager Services with responsibility of negotiations and supplier relations, marketing, pricing and strategic development of commercial programs.

Current interim EVP Category and Buying, Jarle Bråten, will consequently step down from the Executive Management team from 1 November 2023.

XXL has appointed Peter Jansson as new SVP IT & Technology in XXL Group. He will take over responsibilities after Espen Terland who will leave XXL on 1 November 2023. From this date Peter will be part of the Executive Management team. He is an internal recruitment, being employed in XXL since 2017 with the responsibility for tech development and IT architecture. Before joining XXL Peter worked as an IT and Business consultant and analyst in iStone and Capgemini, where he has experience from working with several strong Nordic retail chains. In addition, Peter has technical competence from Ericsson where he worked as a software designer and solutions integrator.

Outlook

As seen in previous quarters XXL expects the market to remain challenging and uncertain going into 2024 and with general high campaign pressure.

XXL is in the phase of implementing several strategic initiatives and projects to improve profitability and operational efficiency moving forward, called "Reset & Rethink". Five must win battles are expected to deliver an EBITDA uplift of NOK 500-750 million during the next 12-24 months. The longer-term strategic plan and targets are in process to be further detailed and planned.

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 continue the growth in the E-commerce channel.

In line with the existing strategy, XXL will continue to invest in operational efficiency, store optimizing projects, E-commerce platform, infrastructure and IT. Total CAPEX for XXL Group in 2023 is expected to be around NOK 100-150 million.

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.

XXL will exit Austria in 2023 and consequently have no material operational or contractual obligations after year end 2023.

Condensed Consolidated Interim Statements of Income & Comprehensive Income

Unaudited for the period ended September 30, 2023

<i>(Amounts in NOK million)</i>	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022 (Audited)
Total Operating Revenue	1,982	2,207	5,911	6,162	8,426
Cost of goods sold	1,320	1,436	4,090	3,889	5,705
Personnel expenses	408	399	1,217	1,219	1,665
Other operating expenses	218	184	671	581	819
Depreciation	190	134	576	531	703
Impairment losses	-	-	-	1	1
Total Operating Expenses	2,137	2,153	6,554	6,221	8,893
Operating Income	-155	54	-643	-59	-467
Net Financial Income (+) / Expense (-)	-34	22	-140	14	-64
Profit before income tax	-189	76	-783	-45	-531
Income tax expense	-49	19	-172	-17	-120
Profit from Continuing Operations	-140	57	-611	-28	-411
Profit from Discontinued Operations	-25	-16	-123	-52	-130
Profit for the Period	-165	42	-735	-80	-542
Basic and diluted Earnings per share from continuing operations (NOK)	-0.20	0.23	-1.32	-0.11	-1.63
Basic and diluted Earnings per share from discontinued operations (NOK)	-0.04	-0.06	-0.09	-0.21	-0.52
Basic and diluted Earnings per share (NOK)	-0.24	0.16	-0.55	-0.32	-2.15
Other comprehensive income					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Foreign currency rate changes	15	-	-35	-	-7
Total Other Income and Expense	15	-	-35	-	-7
Total comprehensive income for the period	-150	42	-770	-80	-549
Total comprehensive income attributable to:					
Equity holders of the company	-145	40	-748	-79	-534
Non-controlling interest	-5	2	-22	-1	-15

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	30/09/2023	30/09/2022	31.12 2022 (Audited)
NON CURRENT ASSETS				
Intangible Assets				
Goodwill		2,744	2,744	2,744
Other Intangible Assets		267	266	265
Deferred tax asset		350	21	166
Total Intangible Assets		3,361	3,030	3,175
Fixed Assets		551	765	613
Right of Use Assets	9	1,896	1,967	1,842
Total Non Current Assets		5,808	5,761	5,630
CURRENT ASSETS				
Inventory		2,015	2,878	2,328
Trade and Other Receivables		283	373	260
Cash and Cash Equivalents		357	514	552
Total Current Assets		2,655	3,765	3,140
Total assets of disposal group held for sale	10	57	-	263
TOTAL ASSETS		8,520	9,527	9,034

Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	Note	30.09.2023	30.09.2022	31.12 2022 (Audited)
SHAREHOLDERS' EQUITY				
Paid-in Capital		4 027	3 042	3 052
Other equity	9	-695	483	14
Total Shareholders' Equity		3 332	3 526	3 066
Other non-current liabilities				
Interest Bearing Non-Current Liabilities		229	491	494
Lease Liabilities	9	1 563	1 761	1 568
Total other non-current liabilities		1 792	2 252	2 062
Total non-current liabilities		1 792	2 252	2 062
Current liabilities				
Accounts Payable		1 114	1 505	1 214
Lease Liabilities	9	585	573	533
Current Interest Bearing Liabilities		1 015	1 006	1 135
Tax payable		1	0	9
Public duties payable		222	264	360
Other current liabilities		411	401	494
Total current liabilities		3 349	3 749	3 745
TOTAL LIABILITIES		5 140	6 001	5 808
Total liabilities of disposal group held for sale	10	48	-	160
TOTAL EQUITY AND LIABILITIES		8 520	9 527	9 034

Condensed Consolidated Interim Statement of Cash Flows

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022 (Audited)
Operating Activities					
Profit before tax from continued operations	(189)	75	(783)	(45)	(531)
Income tax paid	-	(1)	-	(38)	(38)
Depreciation and amortization	190	133	576	533	703
Net financial expense	19	(23)	125	(14)	64
Changes in inventory	107	(33)	313	(614)	(374)
Changes in accounts receivable	(17)	(37)	(23)	252	337
Changes in accounts payable	(220)	477	(102)	876	572
Changes in other balance sheet items	(124)	(135)	(174)	(464)	(96)
Cash provided (used) by operating activities from discontinuing operations	(1)	35	32	69	44
Net cash flow from operating activities	(235)	492	(35)	556	682
Investing Activities					
Investment in fixed assets	(46)	(20)	(90)	(105)	(132)
Cash provided (used) by investing activities from discontinuing operations	-	(0)	-	(7)	(7)
Net cash flow from investing activities	(46)	(20)	(90)	(112)	(139)
Financing Activities					
Proceeds from share capital increase	500	-	1,001	-	-
Transaction costs	(17)	-	(35)	-	-
Sale/acquisition of own shares	-	-	-	(2)	(8)
Dividends paid	-	(145)	-	(145)	(145)
Payments from and repayments of borrowings	(229)	(150)	(775)	(150)	(150)
Proceeds from other short term debt	-	-	342	741	883
Interest payments on interest-bearing liabilities	(13)	(13)	(69)	(31)	(61)
Payment of Interest element of lease payments	(21)	(18)	(64)	(61)	(78)
Payments of lease liabilities	(157)	(121)	(470)	(393)	(560)
Cash provided (used) by financing activities from discontinuing operations	(7)	(33)	(33)	(66)	(45)
Net cash flow from financing activities	56	(480)	(104)	(107)	(164)
Net Change in Cash and Cash Equivalents	(225)	(8)	(230)	337	379
Cash and cash equivalents - beginning of period	572	521	575	173	173
Effect of foreign currency rate changes on cash and equivalents	11	11	11	-	-
Cash and Cash Equivalents (AHS) - End of period	25	-	25	-	23
Cash and Cash Equivalents - End of period	382	524	382	510	575

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 31.12.2021	101	3,049	36	583	-47	30	3,753
Net income 2022	-	-	-	-522	-	-20	-542
Foreign currency rate changes	-	-	-	-	-	-	0
Transactions with owners:							
Employee share incentive program	-	-	4	-	-	-	4
Dividends	-	-145	-	-	-	-	-145
Purchase of own shares	-	-3	-	-	-	-	-3
Shareholders' Equity 31.12.2022	101	2,900	40	61	-47	10	3,066
Net income YTD Q3 2023	-	-	-	-708	-	-26	-735
Foreign currency rate changes	-	-	-	-	-	15	15
Transactions with owners:							
Employee share incentive program	-	-	3	-	-	-	3
Share issue	564	418	-	-	-	-	982
Purchase of own shares	-	-	-	-	-	-	0
Shareholders' Equity 30.09.2023	665	3,318	43	-647	-47	-1	3,332

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 interim financial statements for the three months ended 30 September 2023 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 2022, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

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 2022.

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 2022.

Note 5 Earnings per share

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022 (Audited)
Profit for the period from continuing operations (NOK million)	-140	57	-611	-28	-411
Profit for the period from discontinued operations (NOK million)	-25	-16	-123	-52	-130
Weighted average number of ordinary shares in issue	692,986,597	252,436,658	462,256,464	252,436,658	252,436,658
Number of shares outstanding	1,663,574,430	252,436,658	1,333,866,762	252,436,658	252,436,658
Adjustment for:					
Weighted number of ordinary shares in issue for diluted earnings per share	696,672,063	253,593,095	465,245,797	253,471,291	253,322,124
Basic and diluted Earnings per share from continuing operations (NOK)	-0.20	0.23	-1.32	-0.11	-1.63
Basic and diluted Earnings per share from discontinued operations (in NOK)	-0.04	-0.06	-0.27	-0.21	-0.52
Basic and diluted Earnings per share (NOK)	-0.24	0.16	-1.59	-0.32	-2.15

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

Note 6 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 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

Q3 2022

<i>Amounts in NOK million</i>	Norway*	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	1,139	673	395	-	2,207
Gross profit	410	222	138	-	770
EBITDA	191	73	48	-124	187
Operating Income	155	38	12	-152	54

01.01.2023 - 30.09.2023

<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

01.01.2022 - 30.09.2022

<i>Amounts in NOK million</i>	Norway*	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	3,193	1,842	1,127	-	6,162
Gross profit	1,231	634	409	-	2,273
EBITDA	597	142	118	-384	473
Operating Income	392	-7	22	-466	-59

01.01.2022 - 31.12.2022

<i>Amounts in NOK million</i>	Norway*	Sweden	Finland	HQ & Logistics	Total
Operating revenue	4,394	2,488	1,543	-	8,426
Gross profit	1,535	713	474	-	2,721
EBITDA	661	32	82	-538	237
Operating Income	393	-168	-48	-644	-467

*As of Q1 2022 Denmark Segment is incorporated in the Norway Segment (all historical numbers for the Norway segment are also restated)

Note 7 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 in Q3 2023. Further, 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-length basis.

Note 8 Risk Management

A description of main risk factors in XXL is included in Note 20 in the Annual Report for 2022.

Note 9 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 01.01.2023	4,115
Additions and adjustments	382
Change incentives	-25
Net exchange differences	88
Aquisition costs 30.09.2023	4,560
Accumulated depreciation and impairment losses 01.01.2023	-2,174
Depreciation	-463
Impairment losses (-) Reversal of losses (+)	14
Disposals	-
Transfers and reclassifications	-
Currency exchange differences	-39
Accumulated depreciation and impairment 30.09.2023	-2,663
Total Right-of-Use Assets at 30.09.2023 including assets held for sale	1,896
Right of Use Assets	1,896
Right of Use Assets Held for Sale	0

Lease liabilities

(Amounts in NOK million)

Summary of the lease liabilities in the financial statements

Total lease liabilities 01.01.2023	2 203
New lease liabilities recognised in the period and adjustments	357
Leasing payments for the principal portion of the lease liability	-501
Interest expense on lease liabilities	66
Reassessment of the discount rate on previous lease liabilities	0
Currency exchange differences	23
Lease liabilities at 30.09.2023	2 148
Lease liabilities Held for Sale 30.09.2023	0

whereof:

Current lease liabilities < 1 year	585
Non-current lease liabilities > 1 year	1 563

Note 10 Discontinued Operations

The board of XXL concluded its strategic review process of XXL's operations in Austria 21.12.2022

The decision is to exit the Austrian market during 2023 and the management considers that the disposal group is available for immediate sale in its present condition. Austria is consequently classified as a disposal group held for sale in the balance sheet and presented as discontinued operations in the income statement as of 31.12.2022. The comparative condensed consolidated income statement has been restated to show the discontinued operation separately from the continuing operations.

Summary of financial data for discontinued operations

(Amounts in NOK million)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022 (Audited)
Total Operating Revenue	56	107	222	329	454
Cost of goods sold	21	67	160	213	366
Personnel expenses	11	20	57	71	98
Other operating expenses	36	20	85	67	112
Depreciation	5	15	51	28	48
Impairment Losses (+) Reversal of losses (-)*	-9	-	-9	0	-14
Total Operating Expenses	64	122	344	378	610
Operating Income	-8	-16	-121	-49	-156
Net Financial Income (+) / Expense (-)	-5	1	5	3	-6
Profit before income tax	-14	-14	-116	-46	-162
Income tax expense	12	2	7	6	-31
Profit from Discontinued Operations	-25	-16	-123	-52	-130
Net cash flow from operating activities	-1	35	32	69	44
Net cash flow from investing activities	-	-	-	-0	-7
Net cash flow from financing activities	-7	-33	-33	-66	-45
Net change in cash and cash equivalents	-8	2	-1	3	-8

<i>(Amounts in NOK million)</i>	30.09.2023	31.12.2022 (Audited)
NON CURRENT ASSETS		
Intangible Assets		
Other Intangible Assets	2	2
Deferred tax asset	-6	3
Total Intangible Assets	-4	5
Fixed Assets	4	20
Right of Use Assets	-0	99
Total Non Current Assets	-0	123
CURRENT ASSETS		
Inventory	7	96
Trade and Other Receivables	26	21
Cash and Cash Equivalents	25	23
Total Current Assets	57	140
TOTAL ASSETS	57	263

<i>(Amounts in NOK million)</i>	30.09.2023	31.12.2022 (Audited)
LIABILITIES		
Other non-current liabilities		
Lease Liabilities	0	69
Total other non-current liabilities	0	69
Total non-current liabilities	0	69
Current liabilities		
Accounts Payable	22	12
Lease Liabilities	-	33
Tax payable	-0	-0
Public duties payable	-4	9
Other current liabilities	31	37
Total current liabilities	48	91
TOTAL LIABILITIES	48	160

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

Note 11 Subsequent events

Reference is made to the stock exchange announcement published by XXL ASA ("XXL" or the "Company") on 15 June 2023 and 3 October 2023 regarding a reassessment of taxable income for the subsidiary XXL Sport & Villmark AS relating to the XXL group's international transfer pricing model.

On 3 October 2023 XXL received a demand for payment of NOK 90 million from the Norwegian tax authorities. XXL has paid the amount accordingly but does not agree with the reassessment. The amount is not based on a qualitative assessment of what is the expected outcome of the case. XXL has asked for MAP/APA negotiations between competent authorities in order to mitigate the net tax effects for the XXL group by adjustments to taxable income in another jurisdiction through mechanisms in relevant double taxation treaties between Norway and such jurisdiction and which could lead to a refund from that jurisdiction. XXL has also appealed the reassessment to the tax appeal board. The appeals process is put on hold pending MAP/APA negotiation.

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.

All APMs are related to Continuing Operations. We refer to note 10 for details on Discontinued Operations.

EBIT

Our EBIT represents operating income.

EBITDA

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

Reconciliation

	Q3'23	Q3'22	YTD'23	YTD'22	FY22
Operating Income	-155	54	-643	-59	-467
+ Depreciation	190	134	576	531	703
= EBITDA	35	187	-67	473	237

Like for Like

Like for Like include 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.

Reconciliation

	Q3'23	Q3'22	YTD'23	YTD'22	FY22
Operating revenue	1 982	2 207	5 911	6 162	8 426
÷ Cost of goods sold	1 320	1 436	4 090	3 889	5 705
= Gross profit	662	770	1 821	2 273	2 721
Gross margin	33.4%	34.9%	30.8%	36.9%	32.3%

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.

Reconciliation

	Q3'23	Q3'22	YTD'23	YTD'22	FY22
Other operating expenses	218	184	671	581	819
+ Personnel expenses	408	399	1 217	1 219	1 655
= OPEX	626	583	1 889	1 800	2 484

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.

Reconciliation

	Q3'23	Q3'22	FY22
Non-Current Interest-Bearing liabilities	229	491	494
+ Current Interest-Bearing liabilities	1 015	1 006	1 135
÷ Cash and Cash Equivalents	357	487	552
÷ Cash and Cash Equivalents (AHS)	25	27	23
= Net Interest-Bearing Debt	862	983	1 054

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.

Reconciliation

	Q3'23	Q3'22	FY22
Cash and Cash Equivalents	357	487	552
Cash and Cash Equivalents (AHS)	25	27	23
+ Undrawn Credit Facilities	400	303	171
= Liquidity reserve	782	817	746

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

Q3'23	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	35	107	30	29	-130
IFRS 16 effects OPEX	-157	-64	-47	-33	-13
EBITDA ex IFRS 16 effects	-122	43	-16	-4	-144
EBIT Reported	-155	37	-23	-9	-160
IFRS 16 effects affecting EBIT	-20	-10	-6	-2	-2
EBIT ex IFRS 16 effects	-175	27	-29	-11	-162

YTD'23	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	-67	293	-15	47	-390
IFRS 16 effects OPEX	-470	-188	-144	-97	-40
EBITDA ex IFRS 16 effects	-537	104	-160	-49	-431
EBIT Reported	-643	85	-183	-66	-479
IFRS 16 effects affecting EBIT	-59	-30	-18	-6	-5
EBIT ex IFRS 16 effects	-701	56	-201	-72	-484

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FINANCIAL CALENDAR

Q4 Results	8.2.2024:
Q1 Results	24.4.2024:
Q2 Results	17.7.2024:

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