

Integrated Annual Report 2024

XXL

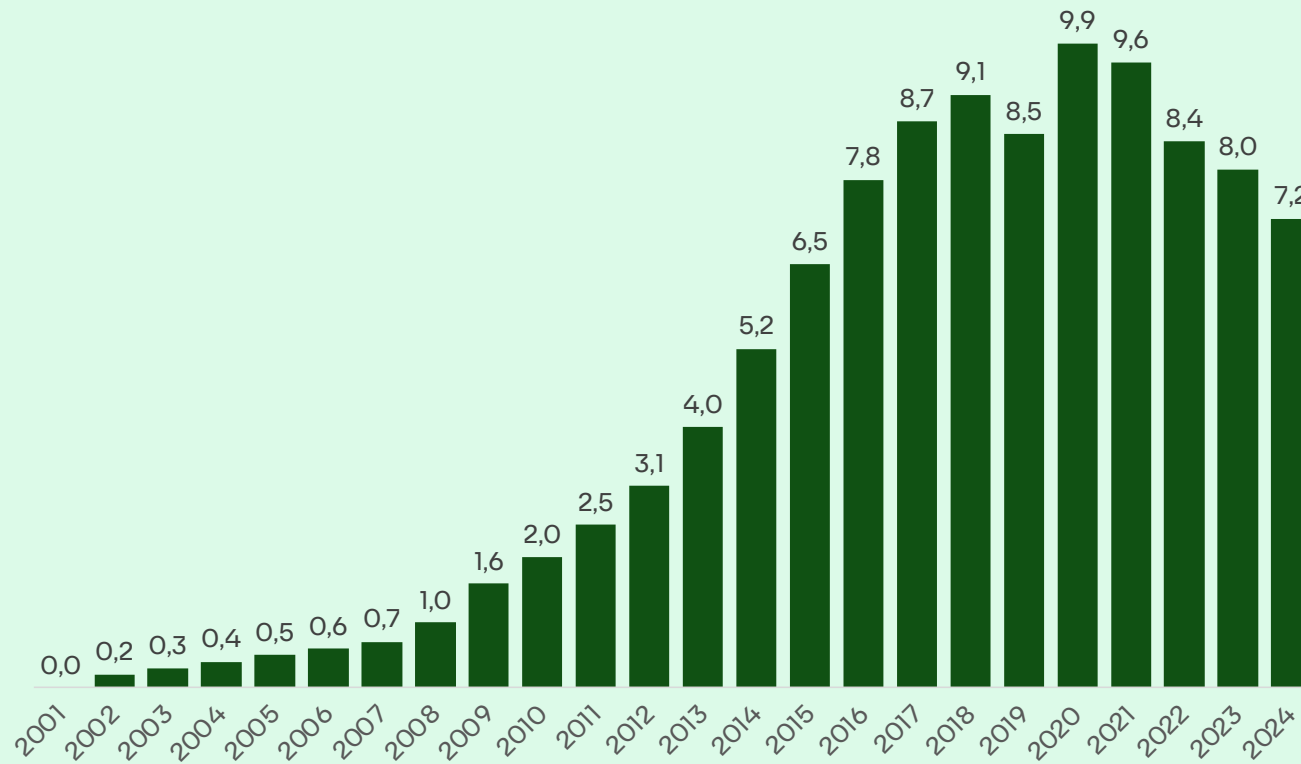


Integrated Annual report 2024

**Sports
unite all**

Revenue development

(NOK Billion)



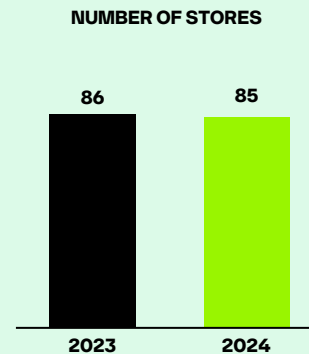
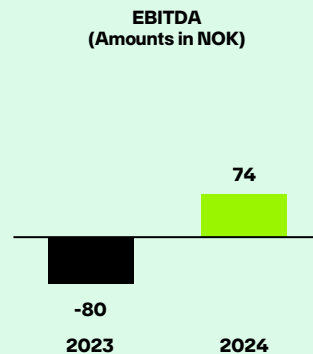
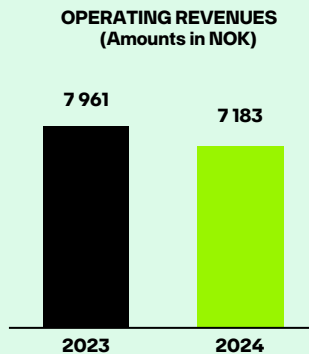
Integrated Annual Report

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Highlights

- Total revenues of NOK 7 183 million (NOK 7 961 million)
- Positive EBITDA of NOK 74 million (negative NOK 80 million)
- Net income of negative NOK 1 717 million (negative NOK 1 590 million)
- Total CO2 emissions of 166 830 tCO2e (174 101 tCO2e)
- Continuation of the Reset & Rethink strategy with positive indicators through 2024



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 (numbers in brackets are numbers for 2023 unless otherwise stated).



Key Figures

Group

(Amounts in NOK million)

	FY24	FY23
Group		
Operating revenue	7,183	7,961
Growth (%)	-9.8 %	-5.5 %
Gross profit	2,580	2,509
Gross margin (%)	35.9 %	31.5 %
OPEX %	34.9 %	32.5 %
EBITDA	74	(80)
EBITDA margin (%)	1.0 %	-1.0 %
Impairment losses	670	576
EBIT	(1,371)	(1,409)
EBIT margin (%)	-19.1 %	-17.7 %
EBIT (adj.)	(701)	(833)
EBIT adj. margin (%)	-9.8 %	-10.5 %
Net Income	(1,717)	(1,590)
Net income adj.	(1,047)	(1,014)
**Basic earnings per share (NOK)	(77.70)	(218.18)
**Average number of shares (1 000 shares)	22,103	8,230
Cash provided by operating activities	(34)	198
Like for like revenue growth	-11.7 %	-9.3 %
Number of stores at period end	85	86
New stores in the period	-	2
Closed stores in the period	1	-

**Earnings per share: See note 14 to XXL consolidated financial statements.

Key Figures

Segment

(Amounts in NOK million)

	FY24	FY23
Norway		
Operating revenue	3,643	4,049
Growth (%)	-10.0 %	-7.9 %
Gross profit	1,356	1,342
Gross margin (%)	37.2 %	33.1 %
OPEX %	23.9 %	22.6 %
EBITDA	484	425
EBITDA margin (%)	13.3 %	10.5 %
Number of stores at period end	39	39
New stores in the period	-	1
Closed stores in the period	-	-

Sweden		
Operating revenue	2,258	2,387
Growth (%)	-5.4 %	-4.1 %
Gross profit	772	672
Gross margin (%)	34.2 %	28.2 %
OPEX %	29.1 %	29.3 %
EBITDA	114	(28)
EBITDA margin (%)	5.1 %	-1.2 %
Number of stores at period end	30	30
New stores in the period	-	1
Closed stores in the period	-	-

	FY24	FY23
Finland		
Operating revenue	1,281	1,525
Growth (%)	-16.0 %	-1.2 %
Gross profit	452	495
Gross margin (%)	35.2 %	32.5 %
OPEX %	31.5 %	28.1 %
EBITDA	48	67
EBITDA margin (%)	3.7 %	4.4 %
Number of stores at period end	16	17
New stores in the period	-	-
Closed stores in the period	1	-

HQ & logistics		
EBITDA	(572)	(544)
EBITDA margin (% of Group revenues)	-8.0 %	-6.8 %

CEO comment

2024 was a year of transformation for XXL, marked by decisive actions to stabilise our business, drive efficiency, and position ourselves for future growth. Despite persistent macroeconomic headwinds, we made solid progress on our Reset & Rethink strategy, which began delivering tangible results throughout the year.

Strengthening our business amid market challenges

The Nordic sporting goods market remained challenging, with weak consumer demand impacting the entire industry. In this environment, we saw revenue decline by 13.1 % year over year, ending at NOK 7.2 billion. However, we demonstrated resilience by focusing on improving gross margins,

strengthening our campaign execution, and activating non-seasonal categories to counterbalance lower sales of seasonal products.

Encouragingly, we saw signs of sales recovery quarter over quarter throughout the year, particularly in Sweden, which led the way in revenue growth. Our structured approach to improving category strategies, improving product availability, pricing discipline, increasing e-commerce profitability, and enhancing store execution started yielding results, and we entered 2025 with more than 4 per cent growth in total operating revenues in January. This recovery has further continued into 2025, where XXL delivered revenue growth



of 7 per cent in the first quarter 2025 driven by progress in the “Reset & Rethink” strategy. All markets and sales channels contributed to the growth, and we gain market share across several geographies during the quarter.

Financial discipline and operational efficiency

Throughout the year, we maintained strict liquidity control and cost discipline, and in addition we continued the execution of our strategies to improve assortment, availability and in-house brand offering. This effort was instrumental in improving our gross margin from 31.5 % in 2023 to 35.9 % in 2024, despite a highly promotional market. While operating expenses as a percentage of revenue increased slightly due to restructuring and financing costs, we delivered a positive EBITDA of NOK 74 million, an improvement from negative NOK 80 million in 2023.

To further support our financial position, we secured an oversubscribed NOK 500 million private placement, with a fully subscribed subsequent offering of NOK 60 million, followed by a NOK 600 million rights issue launched in January 2025. These actions ensured that we had the necessary liquidity to invest in working capital and drive sales recovery and ultimately growth.

Progressing on our Reset & Rethink Strategy

A key priority throughout 2024 was executing on our Reset & Rethink Strategy, which is structured around five “must-win battles” to enhance operational efficiency and long-term profitability. These include:

1. Category reset: Resetting category strategies to strength-

en our assortment and increase the share of Private Label products.

2. Availability: Securing product availability, ensuring we have the right inventory at the right time and in the right place.

3. Store operations: Improving store sales strategies and operations to enhance customer experience and conversion.

4. Pricing: Strengthening pricing processes to protect margins while remaining competitive.

5. E-commerce profitability: Increasing e-commerce profitability by optimising online operations and omnichannel execution.

Customer engagement and brand evolution

Our XXL Reward program continued to grow, surpassing 4.3 million members by year-end—up from 3.8 million mid-year. This remains a key driver of customer engagement and repeat sales, reinforcing our role as the go-to destination for sports and outdoor equipment in the Nordics.

2024 was also the year we refined our brand platform, with a newly articulated mission: To make all types of sports and outdoor equipment easily accessible to everyone – Sports Unite All. This mission underscores our belief that an active lifestyle should be for all, not just for the few. It aligns perfectly with our efforts to offer high-quality products at competitive prices while making sports and outdoor activities more inclusive.



Optimising store footprint for a stronger future

In 2024, we took decisive steps to optimise our store footprint, ensuring that our physical presence aligns with both customer demand and long-term profitability. As part of the Reset & Rethink Strategy, we made structural adjustments to improve the efficiency of our store network, enhance sales performance, and secure a more sustainable cost base.

A significant strategic decision was the exit from our Danish operations in Q1 2024. While a difficult choice, this move allowed us to refocus resources on strengthening our core Nordic markets – Norway, Sweden, and Finland—where we see the greatest potential for sustainable growth. Additionally, we closed one underperforming store in Finland (Redi, Helsinki) in Q1 2024.

At the same time, we invested in elevating key stores to create a better shopping experience. In Sweden, three stores were relocated, and reopened in Q3, aligning with our strategy to strengthen store operations and drive higher customer engagement. These upgraded stores are performing well, demonstrating the value of targeted investments in physical retail.

Our focus on category strategy and store-level execution also played a key role in revitalising performance. By adjusting store assortments to prioritise high-turnover categories, improving stock availability, and optimising pricing strategies, we strengthened the commercial viability of our stores across all three markets.



Store footprint optimisation will remain a core pillar for XXL. While our strong omnichannel model allows us to leverage both physical and digital touchpoints, we believe that a well-balanced and strategically located store network remains a competitive advantage. Our efforts in 2024 have laid the groundwork for a more profitable and resilient retail presence in the Nordics, ensuring that each store is positioned for long-term success.

Taking further action within Sustainability

Sustainability is an integrated part of what we do as a company, with social sustainability being integrated in our “Sports unite all” mission and nature and stable seasons being a critical premise for our business model. In 2024, we have further increased our commitment to being a sustainability leader in our industry. We have a new Sustainability team in place to increase our competency and capacity to act on our commitments. 2024 is the first year we are reporting according to the new EU CSRD reporting standards, ensuring transparency and accountability towards our stakeholders. We have set targets to reduce our climate impact, improve our circularity and ensure that we are a leading employer in the Nordics. In 2025 we will set these targets into further action and set targets within the workers in the value chain and consumers and end-users dimensions of Sustainability.

Looking ahead

Entering 2025, we remain committed to driving sales growth, continuing to turn around profitability, and securing operational excellence. We are also embarking on a journey to strengthen the XXL culture even more, in order to acceler-

ate and to win together as “One XXL”. The Reset & Rethink Strategy will continue to guide our actions, supported by a more efficient cost base, a strengthened financial position, and a clear roadmap for improving profitability.

While we continue to act in a challenging macro economic environment and a soft consumer market for outdoor and sporting goods, we see some early signs of recovery, particularly in Sweden. With our dedicated employees, strong supplier relationships, and a clear strategy in place, we are confident that XXL is well-positioned to regain momentum and reinforce our role as the leading mass-market sports retailer in the Nordics.

I want to express my deepest gratitude to our employees, customers, brand partners, suppliers, and shareholders for their trust and support. It is through our shared dedication and belief in XXL's potential that we will continue to move forward, stronger together. I look forward to the opportunities ahead as we take the next steps in our journey.

Freddy Sobin

CEO XXL

Historical milestones

XXL has quickly grown to be a leading distribution channel for sports, outdoors and wilderness in the Nordics with the formula of cost-efficient operations, broad product range, focus on branded goods and high degree of service. XXL entered the Norwegian market in 2001, Sweden in 2010, Finland in 2014, Denmark in 2016 and Austria in 2017 with a concept that became a game changer in the sports retail market. In 2022, XXL decided to exit Austria to improve cost and focus on the Nordic sports retail market. Important historical milestones are listed below;

2000	Founded by Øivind Tidemandsen
2001	The first XXL store was opened in central Oslo
2002	Norwegian webpage was launched
2007	Reached a 10 per cent market share (source: Sportsbransjen 2007) in Norway with 8 stores
2010	Private equity company EQT acquired a majority stake in XXL
2010	Opened the first three Swedish stores during a three-month period
2011	Opened central warehouse at Gardermoen, Norway
2012	Swedish webpage was launched
2012	XXL gained a 20 per cent market share (source: Sportsbransjen 2012) in Norway with 18 stores
2013	XXL became the market leader in Norway with a 24 per cent market share (source: Sportsbransjen 2013) and 22 stores
2013	Established a central warehouse in Sweden for distribution in the EU
2014	Entered the Finnish market with 1 store and launch of Finnish website
2014	Successful IPO of XXL ASA at Oslo Stock Exchange
2015	XXL became the largest sports retailer in the Nordics
2017	Crossed 30 per cent market share in Norway and above 15 per cent market share in both Sweden and Finland
2017	Opened the first two stores in Austria and launched Austrian website
2019	Acquisition of West System Norge AS – a niche player within the watersport segment (XXL's first acquisition)
2019	Private equity company ALTOR acquired a majority stake in XXL
2020	Covid years ('20-'21) saw record high activity in sport goods, and XXL passed NOK 10bn in annual turnover for the first time
2022	Decision to exit Austria in 2022 to improve cost base and consolidate as the leading sports retailer in core Nordic markets
2023	Initiated further turnaround measures (incl. exit of Denmark) and initiated the Reset & Rethink strategy and plan

About XXL

XXL is a true omni-channel sports retailer with large stores, well-functioning online websites, the widest assortment of products, focusing on well-known quality brands at the best prices in the market. The core objective revolves around customer satisfaction and cost consciousness and thereby maximization of the Group's profitability. XXL pursues a broad customer appeal, both in the stores and online, offering a wide range of products for sports, hunting, skiing, biking and other outdoor activities, as well as sportswear, shoes, health & fitness and sports technology products. XXL is a leading sports retailer in the Nordics with stores and e-commerce in Norway, Sweden and Finland.

XXL has a strong, performance-based culture throughout the organization. The business is based on trained, skilled and enthusiastic employees strengthening the XXL brand every day. Motivated employees are crucial to maximize customer satisfaction. Big data, artificial intelligence and automation processes will strengthen the XXL value chain in the coming years.

Business model and value chain

We have a scalable retail model that drives efficiency and cost leadership. This model is a result of a large unit store

format, controlled value chain, efficient logistics, centralized purchasing, and a fully integrated IT system resulting in a low-cost operating structure, which allows us to offer products at low prices.

We have, and strive to maintain, lower operating expenses than all competitors. This is achieved by XXL's scale, integrated value chain and a continuous focus on costs. The Group exercises tight control over store-level expenses, central warehouse expenses, real estate costs and corporate overhead costs. The cost consciousness and low-cost base is critical to XXL as it enables XXL to meet competition by delivering price leadership and to constantly innovate and stay ahead of market development

XXL operates a fully integrated value chain that facilitates simple and lean operations, which results in low costs. XXL controls all the stores without joint venture or any franchise arrangements. This means that the Group has control of the product flow with continuous tracking of key performance metrics such as sales data and inventory levels. XXL maintains central purchasing and distribution functions to manage inventory planning, allocate flow of goods to the stores and oversee the replenishment of goods to the central warehouses.



Omni-channel

XXL operates the websites www.xxl.no, www.xxl.se, www.xxl.fi. XXL believes that its strong brand name and customer recognition offline is advantageous to its online offering and vice versa. Also, with its state-of-the-art logistics and IT-systems, as well as an experienced and efficient purchasing team with strong supplier relationships, the company has a robust backbone structure to support its e-commerce expansion. Consequently, XXL believes it is in a strong position to further build and strengthen the omni-channel platform offering a broad range of branded goods at the lowest price, providing valued customer service across all channels. A multichannel platform provides a high degree of flexibility for the customer and also allows XXL to effectively use customer data to optimize marketing and facilitate cross-selling and up-selling.

E-commerce operation

The Group's e-commerce operations are defined as its sales activities through online sales channels, contrary to sales through retail stores that are physical stores.

The Group's websites in Norway (xxl.no), Sweden (xxl.se) and Finland (xxl.fi) function as extensions of the XXL brand and work as platforms for sale of goods, marketing of the XXL brand, as well as product education for its customers. The Group uses multiple channels to drive traffic to its websites, such as through advertisements, marketing material in retail stores, search engine marketing, social media, and e-mail marketing such as through newsletters. Moreover,



the Group has initiated several measures to improve customers' online shopping experience, such as through its automated personalization features and segmentation solutions on the landing pages and in its newsletters. The purpose of such initiatives is to improve relevancy and customer experience and enhance the efficiency for technical development.

Store concept

XXL stores aim at customer centricity where ease to find products for the customer is of highest importance. We are currently undergoing major shifts in store layout composition, moving from one size fits all to more tailored design of the in-store customer journey, that depends on store specific parameters such as: Sport preference, Size and potential of each location and type of location. New structure is establishing a hybrid between activity and product-based layout.

We aim to maintain a high degree of overlap in product ranges across stores and a lean cost structure but with more deviations in product selection, the offer depth and considering higher degree of distinguishment of overall experience between stores.

Each XXL store features few sections within

a store concept that complement each other in overall environment, such as 1) Sport apparel and Shoes, 2) Team sports and Training 3) Outdoor & Hunting, 4) Ski, Bike & Tech. Our store concept considers major seasonal differences in offer distribution and characteristics, especially in the Ski & Bike area. XXL stores and their layouts have the flexibility of changing assortment quickly when needed.

The fully integrated model of XXL with a centralised purchasing function can shift goods to regions with the highest demand, rapidly switching from winter to summer assortment but also act on customers' price sensitivity. XXL also places a strong emphasis on maximizing customer convenience (our service promise) with respect to the entire shopping experience through number of distinct components: 1) Accessibility, visibility and parking, 2) In-store communication, navigation and price perception, 3) Availability and functionality of omni-services, 4) Elevated sport destinations, i.e. for football, hockey or running, developed in collaboration with various brands, 5) XXL personnel's customer service standards 6) Product placement & presentation and 7) Checkout area with most optimal solution for given location.

Every XXL store has a well-equipped and functioning workshop that apart from providing high quality services i.e. bicycle repair, ski waxing, serves important roles in elevating overall shopping experience.

XXL uses a comprehensive product information system which allows customers to easily assess product availability, with the key facts on each product. This leads to a high degree of self-service among customers and an efficient use of skilled staff. XXL focuses on providing the best customer service with trained category specialists for each section of the store.

The majority of XXL's stores are in shopping centers and retail parks in high-density residential areas or/and major regional shopping destinations, with a substantial number of potential customers in the surrounding area and convenient access to transportation. XXL leases all its stores. XXL has successfully opened new stores in city centres as well as suburban areas. In larger cities, such as Oslo, Bergen, Stockholm, and Helsinki, XXL has more than one store.

This allows us to take advantage of local synergies, for example with respect to marketing. Local infrastructure, the presence of competitors, the condition of available buildings for lease (i.e. technical standard, features and size) and the logistical fit into XXL's support system are important factors in selecting locations for new stores.

In addition, XXL has a strong focus on cost-efficiency and synergies when rolling out new stores and optimising existing ones with high degree of re-use and re-engineering

of interior products. The Group operates in total 85 stores within Norway, Sweden, and Finland, with the distribution of stores set out in the table below. In 2024 XXL closed one store in Finland.

Products

XXL aims to offer a full assortment of branded goods for a wide range of sports and outdoor activities. The product range includes branded goods from well-known international brands and strong national brands. Our product ranges are tailored to meet national brand preferences and local conditions at the best prices. We compare our prices to competitors daily and seek to always offer customers the best prices. The Group has a high degree of overlap in product ranges in the stores, but there are certain local and national differences in products and brand offerings due to demand and trends. The range of products available in XXL's stores and on the websites is based upon market development, customer preferences and our understanding of evolving customer needs.

XXL strives to offer a full range of equipment, sportswear, and shoes for sports and outdoor activities. The Group pays close attention to the performance of each product and product category and makes continuous adjustments to the product range. The purchase department centrally decides the product assortments, quantities, and price for the products. The Group purchases branded goods from an extensive list of major sporting goods suppliers. XXL also offers a steadily increasing range of own brands / private labels to complement the branded product range.



The products are organised into four product categories to match the stores in-store model and the e-commerce offering.

1. Sport, Running & Training covers sports equipment and sportswear for several sports including running, football, golf, water sports, racket sports and ice hockey to mention a few. It also covers fitness equipment like treadmills and rowing machines, as well as food supplements and nutrition.

2. Leisure & Youth include a wide assortment of clothes for men, women, and children for baselayers, outerwear, casual wear, sportswear, and swimwear to name some. The sector also covers lifestyle shoes and winter shoes for both adults and children.

3. Outdoor & Hunting stocks a wide range of products to cater for fishing, wilderness living and camping, such as tents, lavvos, sleeping bags, backpacks, cooking equipment as well as climbing gear. It also includes firearms and ammunition, clothes, binoculars, optics, knives, and axes.

4. Skis & Bikes is the product category with the most seasonal fluctuations. This category covers skis and ski accessories, such as shoes, poles, clothes, and other equipment needed for cross-country and downhill skiing as well as snowboarding. On bikes XXL offers both high-end and everyday bikes for children, women, and men as well as bike equipment such as helmets, shoes, spare parts, and clothes. XXL sells a wide range of bikes such as hybrid bikes, mountain bikes, city bikes and electric bikes. The category also includes Sportstech that covers products that



connect technology and sports/outdoor activities including sport watches, action cameras, drones, GPS, earplugs and headphones, portable loudspeakers, sunglasses, pulse meters, power banks and cycle computers,

Services

Due to the Group's scale and highly efficient logistics setup, XXL can offer low prices and a price promise. Keeping costs low is critical for XXL to be able to maintain its price strategy of always having the lowest prices. If a product is found at a lower price at the time of purchasing from XXL, the customer is entitled to pay the same price as with the competitor. XXL also has a 100 percent satisfaction guarantee in which a customer who is not satisfied with a product may exchange it for another product within the same product category within 30 days of purchase. In addition, unused products with receipt may be exchanged or fully refunded within 100 days of purchase (up to 365 days in Sweden).

Each store also has its own studio for services and maintenance of products such as ski preparations, boot fitting and bicycle maintenance. This builds loyalty and good customer experience.

Marketing

At XXL, we recognise the power of data-driven marketing and leverage a sophisticated digital marketing stack to maximise our impact across targeted channels. Our marketing strategy is designed to drive traffic, enhance brand awareness, and foster customer loyalty through precision-targeted campaigns and automation.

Our approach is centred around digital performance marketing, utilising advanced analytics, AI-driven personalisation, and omnichannel engagement. We optimise our reach through paid and organic search (SEO/SEM), programmatic advertising, and strategic social media campaigns. CRM-based personalization, email automation, and retargeting ensure relevant and timely communication with our customers.

In addition, we continuously refine our customer engagement strategies through data insights, enabling us to create seamless customer journeys across our e-commerce platforms and physical stores.

To further strengthen customer loyalty and satisfaction, XXL successfully launched a new reward bonus program at the end of 2023, offering personalized benefits and incentives tailored to individual shopping behaviours.

Sourcing and purchasing

XXL purchases goods from suppliers inside and outside the EU. The Group's purchasing vehicles are XXL Grossist

Norge AS for Norway and XXL Europe GmbH for countries outside Norway. All the purchases of the Group are made by one of these two companies. Merchandise is sold by XXL Grossist Norge AS to XXL Sport & Villmark AS for further distribution to Norwegian stores and online sales in Norway and similar sold by XXL Europe GmbH to XXL Sport & Villmark AB in Sweden, XXL Sport and Outdoors OY in Finland and XXL. The Group's private label products are produced by manufacturers abroad, primarily in China and Taiwan.

XXL possesses a huge amount of data of which products that sells well and poorly in each market and geography. To ensure that the Group's product offerings are tailored to local market conditions and demand, the purchasing managers regularly meet with the vendors, review trade sales, and evaluate merchandise offered by other sports retailers. In addition, they frequently gather feedback and new product reviews from store management and employees, as well as reviews submitted by the Group's customers.

Logistics and distribution

The Group has two central warehouses, one at Gardermoen Norway (outside EU), one in Örebro Sweden. The Norwegian warehouse serves the Norwegian market, while the Swedish serves Sweden and Finland. All warehouses are equipped with state-of-the-art robotics (Autostore) which allows them to operate in an efficient and cost-effective way. In addition, XXL has developed customized order packing and shipping processes tailored to meet the specific requirements of the E-commerce business.



XXL has centralized inventory management. XXL implemented in 2019/2020 a new data driven and algorithm-based replenishment system with the result of significantly lower distribution of goods to the stores and more predictability for the central warehouses. It has reduced handling time for store personnel, provided more accurate and lower stock values combined and provides a more differentiated distribution of goods (by geography, season differences, size of store, relevant products).

We use third party transport providers to deliver stock to the warehouses and stores with one day delivery from the central warehouse to most of the stores and E-commerce delivery points.

IT systems

XXL relies on several well-integrated key systems to achieve operational excellence in e.g., purchasing, supply chain, finance and accounting, product management as well as the commercial processes. The financial truth resides in a single ERP system, being an enabler for in-depth control and follow-up.

Over the years, XXL has made several investments in resilient IT infrastructure to minimize the risk of outage in its sales channels.

XXL has further incorporated reporting tools that allow comprehensive monitoring of business performance and benchmarking, which is critical to management's ability to drive strong performance throughout the company.

AI and ML are also focus areas for XXL, working close to trusted partners, to both boost commercial results and

reduce costs where applicable.

Competitive landscape

XXL is currently serving the Norwegian, Swedish and Finnish sporting goods markets with an omni-channel offering through large unit stores and E-commerce. During 2023 XXL successfully exited its' operations in Austria, and the Danish e-commerce business was departed in Q1 2024. XXL is offering a full range of sporting equipment and apparel at the best prices and focusing on branded products. The competitors consist primarily of focused sporting goods chains, independent specialty stores and to a lesser extent general department stores as well as online retailers. In each market, the four largest retailers have a combined market share of more than 50 per cent.

The most prevalent structure in the sporting goods market is companies operating under a franchise or buying union structure, where a local merchant operates a store and owns the operating company, while a central sports chain owns the brand and has a central warehouse and marketing function. Examples of these structures are Intersport and Sport 1 in Norway, Team Sportia and Intersport in Sweden, and Intersport in Finland. Chains primarily relying on a franchising structure typically also have, to a varying degree, some stores operated by the chain. Less prevalent in the markets are stores that are operated by a single company, such as XXL and Stadium in Sweden. In these cases, the store manager is an employee of the chain company, and the sports chain owns the operations of the individual stores. These chains have the benefit of having integrated value chains and flexibility to plan for optimal execution across the full store network.



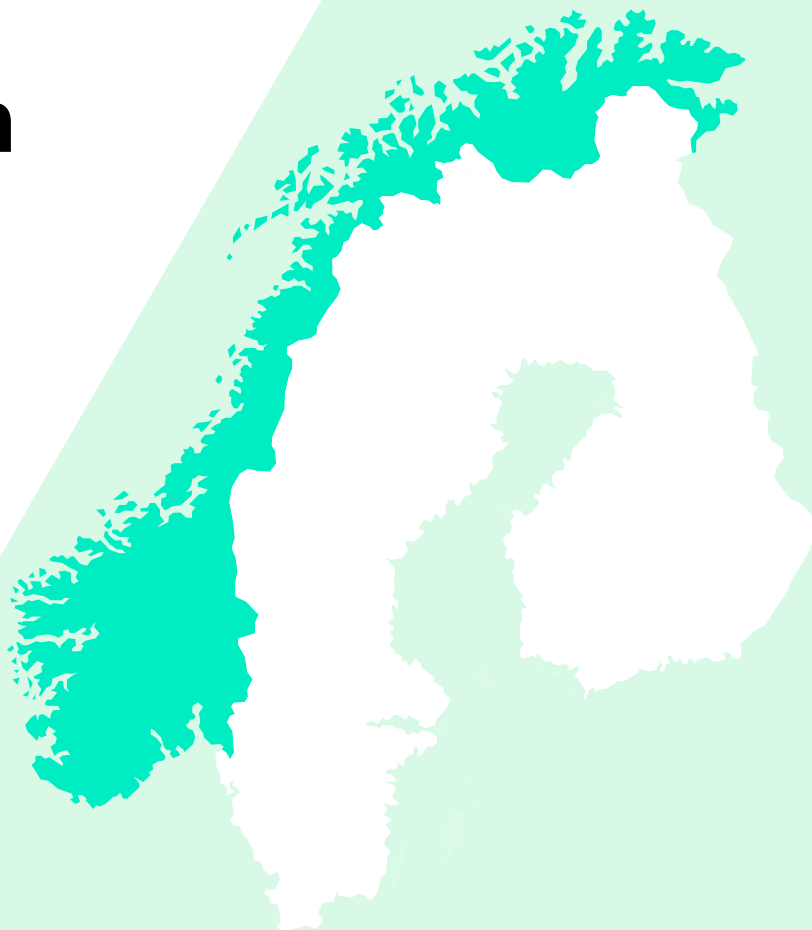
In addition to the sports chains, there are several independent sports retailers and specialist stores that operate a single store or a small number of stores. Because of the advantage of being part of a larger system or buying group in terms of supplier terms, the number of independent stores and specialist stores has been declining for some time. In recent years, more producers have established stand-alone wholly owned brand stores.

Several discount and general retailers offer a range of sporting goods in addition to other general merchandise, and in many cases offer a wide range of products across the full spectrum of sport categories. Key players include Coop, Prisma and Citymarket.

With the rise of E-commerce, several pure online players focusing on sporting goods have emerged, including Fjell-sport and Milrab in Norway or Outnorth in Europe. Typically, also the sport retail chains operate with an E-commerce platform. In addition, there are general online retailers that offer selected sporting goods as part of their assortment such as e-Bay, Amazon and Zalando. The E-commerce market is also at the time being characterized by many niche players. The sports retail industry has experienced a long-term trend of declining number of stores characterized by an increase in chain formation, high growth online and a reduction in independent stores. We believe this trend has been driven by the changing industry dynamics that resulted in part from XXL's introduction of large unit store concepts as well as the industrial transformation of sales over to online channels.

The Norwegian Market

XXL opened the first store in Norway in 2001, growing to 39 stores and E-commerce at the end of 2024 and revenues of NOK 3.6 billion for 2024. XXL's market share in 2024 was about 29 per cent, according to Sportsbransjen AS. The market increased with above 4 per cent each year from 2014 to 2021, while the market contraction began in 2022, according to Sportsbransjen AS. In 2024 the market showed a decline of 4.2 per cent, while XXL had in the same period a negative growth of 10.0 per cent, hence losing market shares.

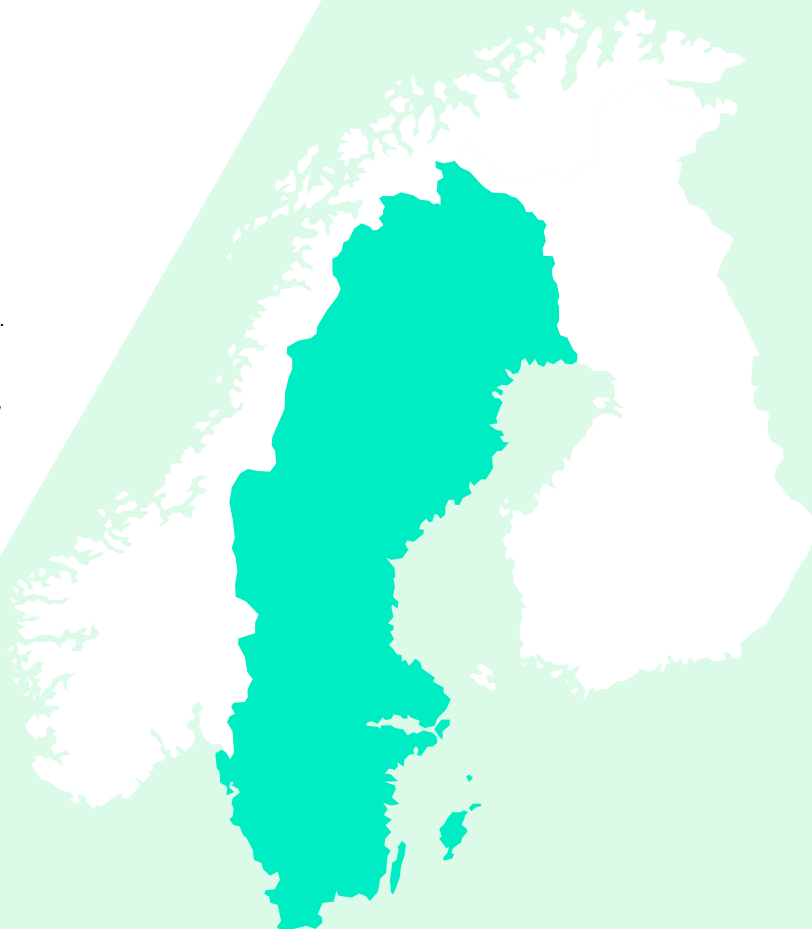


Alta
Naf-Huset
Forus
Alnabru
Lade
Tune
Jessheim
Drammen
Tiller
Lagunen
Majorstua
Åsane
Kristiansand
Haugesund
Moss
Tromsø
Ålesund
Strømmen
Steinkjer
Tønsberg

Ski
Fredrikstad
Mo i Rana
Hamar
Bodø
Harstad
Sandefjord
Sartor
Skien
Lyngdal
Porsgrunn
Buskerud Storsenter
Sandvika Storsenter
Arendal
Bryne
Storo
Gjøvik
Hønefoss
Lillehammer

The Swedish Market

In 2010 XXL started in Sweden and had in 2023 30 stores and E-commerce. To date we have captured a significant share of the market and our total revenues for 2024 in Sweden amounted to NOK 2.3 billion. According to SCB the Swedish sports market declined by 2.5 per cent while XXL decreased by 7.4 per cent (in local currency), hence losing market shares.

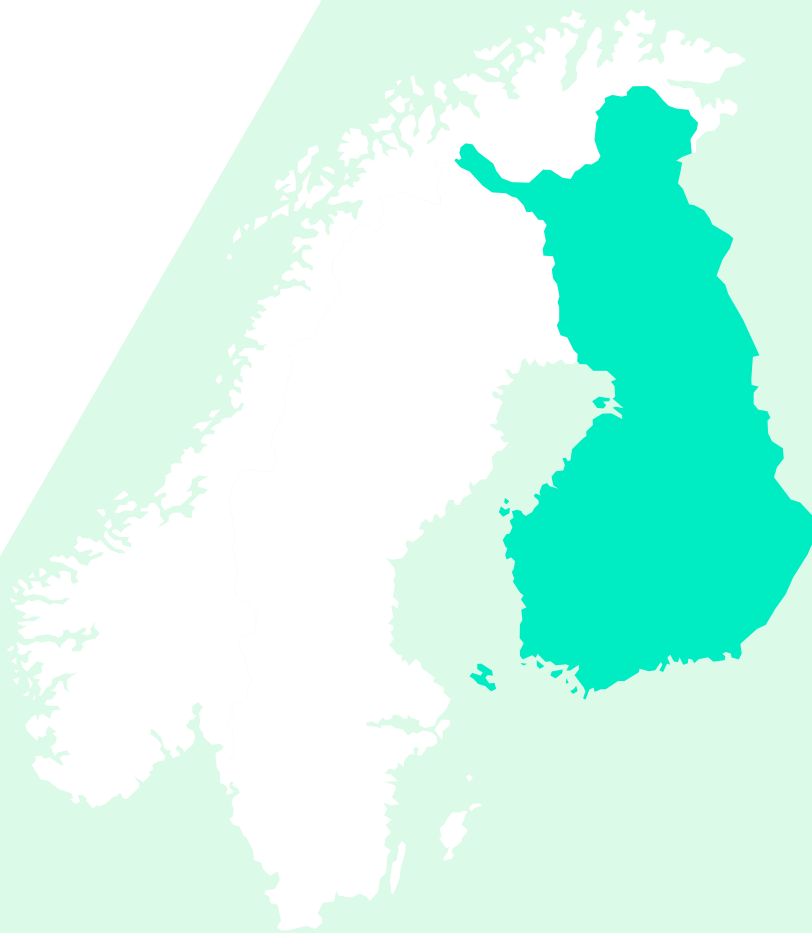


Bromma
Arninge
Sisjön
Bäckebo
Örebro
Uppsala
Kungens Kurva
Linköping
Sundsvall
Jönköping
Stockholm City
Västerås
Norrköping
Karlstad
Helsingborg

Barkarby
Luleå
Gävle
Umeå
Östersund
Växjö
Kalmar
Länna
Halmstad
Malmö Trianglen
Malmö Emporia
Sickla
Charlottenberg
Borlänge
Skellefteå

The Finnish Market

XXL opened the first store Tammisto, Helsinki, in April 2014 as part of the strategy to build on the successful entry into Sweden and extend the XXL concept to new markets. XXL currently has 16 stores and E-commerce and total sales amounted to NOK 1.3 billion in 2024. Finland, figures from TMA (Finnish Fashion and Sports Commerce Association) which represents about 75 per cent of the total market, showed a decline of 9.1 per cent while XXL experienced a negative growth of 17.5 per cent in local currency, hence losing market shares.



Tammisto
Itäkeskus
Tampere Kaleva
Kluuvi
Espoo
Lielähti
Skanssi
Mylly

Oulu
Lahti
Vaasa
Lappeenranta
Jyväskylä
Kuopio
Pori
Seinäjoki

Corporate Social Responsibility

50 per cent of the surplus generated from fees associated with XXLs sale of plastic shopping bags has been allocated to the XXL Children's Foundation. In 2024, the XXL Children Foundation donated NOK 200,000 to the children's hospital in Sumy, Ukraine. The funds are earmarked for a respirator for infants and was donated together with the Anna Jebbens Minde foundation and HMM Helsehjelp Ukraina.

The remaining 50 per cent of the plastic bag surplus is designated for other charitable initiatives within XXL, aligning with our Sports Unite All mission, enabling children and youth of all backgrounds to engage in sports and outdoor recreation. In 2024, several initiatives have been funded. We have continued our partnership agreement with BUA, a Norwegian non-profit foundation that operates to make sports and outdoor experiences available to more people by offering free rental of sporting and outdoor gear. Grow the Game, a concept developed by XXL with Bauer as a partner, contributes to lowering the economic barriers of expensive equipment for participation in hockey. Grow the Game donates hockey equipment to a selected hockey club in Norway, Sweden, and Finland. XXL has also supported the Zuccarello foundation and the Joshua King football school. The event engaged approximately 500 children in a community where sport activities and inclusion help to break down social and economic barriers in society. XXL has also supported the Norwegian Childhood Cancer Society.

Corporate values

In order to attain our wanted position, deliver on our value proposition and ultimately reach our vision we need to act in ways that support that. Our values guide us to the right behaviours.

Customer first

At XXL, we always put our customer first. We all share the belief that this is what makes us profitable, which in turn lets us invest in our own business and people.

Knowledgeable

As a sports and outdoor specialist, our own know-how is key. We have relevant expertise in all categories we represent — and we are generous with our knowledge.

Passionate

We have a deep passion for sports and outdoor. Helping our customers find just the gear, for their individual needs, is what makes us thrive.

Caring

We care genuinely about our customers, suppliers, the environment —and about each other. We honour great sportsmanship and celebrate as a team.



Our mission

Our mission outlines XXL's overall goal and the reason for our existence.

Sports unite all

Sports and outdoor activities unite people. Regardless of age, gender, skin colour, geography or financial position, everyone can participate — on their own terms. This way, sports break down barriers and brings people together across the globe. In a common movement and a common spirit.

At XXL, we are true believers of that spirit. We want even more people to discover the joy of being active. And doing what they love. By making our wide assortment of affordable sports and outdoor gear accessible to the many — we can make it happen.

We live in a world where obesity and welfare diseases are increasing and where too many people live unhealthy lives. As a market leader within sports and outdoor gear, we feel we have a great responsibility to be part of the solution.

We believe in the idea of democratizing sports. Through our wide range of products and great prices we can make sports and outdoor activities accessible to the many — all in one place, all in one destination. And thereby make more people live more active lives.



Our vision

Our vision is our long-term objective.

What we strive for as a company.

To be the preferred sports and outdoor destination in the Nordics

Customer preference

We want to be a preferred destination for absolutely everyone that strives to lead a (more) active life. In short: We want to be a place they actively want to visit.

That, in turn, requires high customer liking. Therefore, our goal is to achieve the highest customer preference figures in the industry — established through tracking. Both at the overall level, and at local store level. That also makes our vision equally motivating, regardless of role or position.

To achieve that, we also need to become 'the most preferred' in two other important dimensions: By our suppliers and by our employees. These are key prerequisites for meeting our vision.

Geography

We are and will be a Nordic player with a foothold in Norway, Sweden and Finland. Our goal is to be the sports and outdoor player that understands the Nordic customers' needs the most. Our proud Nordic heritage is a true asset that helps us succeed.



Our position

Our position describes our role in the marketplace and how we differ from others.

The best starting point for great sports and outdoor experiences

Where we play

XXL offers a large assortment to both the sports AND outdoor segments of the market. This sets us apart from players who are only into sports — or only into outdoors.

Who we are for

We target anyone with an ambition to lead a more active life. We want everyone to find joy in sports and outdoor activities — so we prioritize normal people over the elite.

An active & outdoorsy 'friluftsliv' is a strong Nordic ideal, but many lead less active lives than they used to/want to. The result is a population with increased BMI, diabetes, heart conditions, and other lifestyle problems. As well as a rapid onset of depression and other psychological problems, especially among young women.

Everyone knows that an active lifestyle is the best medicine. But it seems the former Vikings now need a proper kick in the butt. To put down our phones and remote controls, turn our backs to the couch, and live the active and fulfilling lives we used to – and want to!

What makes us unique

For this audience, XXL is the ultimate destination. We provide a comprehensive selection of sports and outdoor gear — from equipment to apparel, products to services — covering all types of sports, both in-store and online. Our trusted brands and high-quality products are offered at competitive prices, making an active lifestyle more accessible to everyone. Backed by deep expertise and a contagious passion, we inspire people to get out, get moving, and embrace the adventure.

What we want to be

Our position also expresses a certain extent of aspiration. We want to become a destination. A place our target customers actively want to visit — out of true preference, and because they think we are truly better than others.



Our value propositions

Our value proposition describes what we offer and how we create value for our customers.

GREAT BRANDS.

GREAT PRICES.

GREAT SELECTION.

GREAT EXPERTISE.

GREAT ACCESSIBILITY.

=GREAT EXPERIENCES.

Low prices on quality products and attractive brands, offered by enthusiastic specialists with high expertise. It sounds too good to be true, but this is exactly what XXL strives to offer.

Great brands.

We offer all the brands and models expected from a true sports and outdoor destination. Equipment and apparel alike.

Great prices.

Large purchasing volumes and efficient operations allow us to keep our prices down. Our prices are either better than our competitors' — or just on par with them. Never higher. At XXL, we offer our customers the best deals guaranteed.

Great expertise.

Investing more than others in staff training gives our customers access to the best trained employees in the industry. Both through our stores, e-com, workshops and service offering. Supportive self-service tools (on and offline) complements our staff.

Great accessibility.

With big stores in great locations — and a well-stocked e-com, open 24/7 — our wide assortment is always highly accessible to our many customers. Flexible and efficient delivery options are a given when shopping at XXL.

Great selection.

Our breadth of categories and wide assortment within each category is unparalleled to any other sports retailer. We offer popular quality products at all relevant price ranges.

= Great experiences.

By making quality products accessible to everyone, we help more people lead more active and fulfilling lives. Thus, XXL is in the business of spreading joy.



OUR STRATEGY Reset & Rethink

During 2024, XXL continued to implement and execute on the “Reset & Rethink” strategy which encompasses the five must-win-battles (top line quick wins and cost control) and the four strategic pillars (accelerate key top line levers). In short, XXL aims with this strategy to fortify our leading market position in our core Nordic markets.

In the course of 2024 XXL managed to improve inventory composition despite low inventory levels, reduced gross OPEX and improved gross margin. As the inventory gets more weighted towards value for money products, from our great brands and private labels, we are convinced margins, sales and the overall market share will grow in the years to come, starting in 2025.

Reset & Rethink strategy

Since the summer of 2023, the Group has implemented its’ Reset & Rethink strategy, which aimed for an EBITDA uplift of 500-750 million in 12-18 months. The EBITDA uplift outcome of the “Reset & Rethink” strategy is delayed to the second quarter 2026 due to continued challenging market



conditions as well as low product availability for the Group, which has significantly impacted the Group’s net revenue

The Reset & Rethink strategy encompasses the five “Must-Win Battles” Category Reset, Availability, Store Operations, Pricing, and E-Commerce Profitability, and the four “Strategic Pillars” Restructure physical stores, Accelerate e-com, Double down on private label and Leverage service offerings.

During 2024, the Group observed positive progression in four of its five must win battles:

1. Category reset

In terms of category strategy, the Group has adopted a new strategy whereby purchasing capital is allocated to products with lower price points and higher margin percentages. The Group’s category strategy aims to increase stock rotation and ensure a better and localized assortment tailored to customer needs. From 2019 up to Q4 of 2024, net revenue has decreased by 14% while the average inventory level has been reduced by 37% over the same period. This indicates that the assortment is healthier with a higher stock rotation. Due to long lead times (on average 9-12 months), the actual impact on customers is expected to materialize in 2025. In addition, the private label assortment has been strengthened.

On average, private label soft goods within the Group have a gross margin that is higher than branded products. New private label brands such as Pilago and Bounce have already been launched during 2024, and the offer of apparel products at lower price points has been improved through the partnership with Stormberg. As a result, from 2023 to 2024, the share of private label products has increased by approximately 6 percentage points, reaching around 17% of the Group’s net revenue (unaudited).

2. E-commerce profitability

The Group has improved the E-commerce channel and the online customer journey, leading to improved margins. From Q4 2023 to Q4 2024, the E-commerce margin improved by 3 percentage points. In addition, the Group’s customer loyalty program, ‘XXL Reward’, has grown to over 4.3 million members. This extensive member base provides a competitive advantage that can be further leveraged to enhance customer loyalty through segmentation and personalization. This strategy will lay the foundation for top-line growth and improved online margins going forward. Furthermore, the Group believes that a robust omni-channel presence is crucial for success, seamlessly integrating digital and physical shopping experience to meet diverse customer needs and behaviours.

3. Pricing

The Group has also experienced improvements in pricing, resulting in improved gross margins through automatic price adjustments and stringent price control. Since the summer of 2023, the Group has implemented a more rigorous pricing process, resulting in more frequent price changes and better price management. Additionally, improved campaign planning and execution have contributed to higher gross margins. Consequently, from Q4 2023 to Q4 2024, the Group has achieved a 2.2 percentage point improvement in gross margin. Pricing is a must win battle for the Group, and the Group is investing in supporting tools and systems, as well as increasing competence within the Group by recruiting dedicated pricing specialists.

4. Store operations

Optimizing sales strategies and store operations has also been a priority for the Group, with the establishment of a new retail organization under the COO with centralized functions to optimize operations across all three countries to improve efficiency. This initiative has resulted in increased efficiency in retail operations, as demonstrated by a 1.5% increase in revenue per working hour (RPWH) from Q4 2023 to Q4 2024. Additionally, the Group has launched a new digital learning platform aimed at enhancing sales and retail competence in a cost-effective manner.

5. Availability

In terms of ensuring product availability in physical stores and online, the Group acknowledges that this must win battle has been demanding due to challenging market conditions, which have resulted in lower net revenues and

less capital available for reinvestment in new products. The availability of the Group's top 1,000 products has remained stable around 80%. At the end of December 2024, the Group managed to achieve an availability for these top 1,000 products of approximately 88%. As part of the re-positioning towards the mass-market, the Group has shifted its inventory towards lower price points. From Q4 2023 to Q4 2024 the value of the inventory has increased by 2%, while the number of items in inventory increased by 14%. The Group believes that the re-positioning of the inventory towards lower price points will have positive effects on the product availability going forward.

Additionally, the Group has initiated a longer-term strategic plan comprising four pillars: (i) restructure physical stores, (ii) accelerate E-commerce, (iii) intensified focus on private label products, and (iv) leverage service offerings.

Other key initiatives to boost the Group's performance

a. Ongoing: Strengthen customer loyalty

To strengthen customer loyalty and satisfaction, XXL continue to build and improve the reward program for its customers. At year end, the program consists of 4.3 million members.

b. Ongoing: Cash & Liquidity

The Group continues its focus on liquidity and cash management to finance its' transition and growth. In 2025 XXL successfully refinanced its credit facilities. The strong focus on liquidity control continues into 2025.

c. Ongoing: Cost-out program

XXL finalized the 2023-24 cost-out program by achieving the ~300 million NOK gross OPEX target. However, we still need to adapt the cost to revenues. The cost focus continues in 2025 with several measures to be implemented, both organic and structural. The long-term goal of XXL is an Opex share of 30% relative to income.

Strategic targets

XXL's target and goal going forward is to gradually gain market share in all markets and continue the growth in the E-commerce channel.

XXL is in the phase of implementing several strategic initiatives and projects to improve profitability and operational efficiency going forward. The longer-term target is "40-30-10" on gross margin, OPEX and EBITDA respectively excluding IFRS 16 effects.

Through these initiatives, the Group will strive to upgrade existing stores, further improve the Group's product offering, improve effectiveness of marketing and reduce its cost base. It will also continue its efforts to reduce inventory and net interest-bearing debt

Going forward XXL has planned one store opening in 2025, Trollhättan. There are planned several refits and re-concepts during 2025, as well as reducing the total number of square meters in store with approximately 9-15 thousand. The Group will continue to focus on optimizing the store portfolio.



Senior Management Team



Freddy Sobin
CEO

Freddy Sobin has been the Group CEO of XXL since May 2023. Sobin came from the position as the CEO of KICKS Group, a position he has held since 2018. KICKS is a leading Nordic retailer within beauty products with 230 stores in Sweden, Norway and Finland and strong online presence and growth. Sobin also knows the sports and outdoor industry well from his almost five-year long tenure as a Chairman of the Board of Outnorth. He holds a Master of Business and Administration from Stockholm School of Economics (Handelshögskolan i Stockholm). Before joining KICKS he served as CEO of Consortio Fashion Group, with Bubbleroom as the most known brand, for nearly seven years. In addition to these merits, Sobin is also an experienced Board Member. He is currently serving on the Board of Svensk Handel, Svenskt Näringsliv and successful retail companies like Salling Group in Denmark and Bubbleroom in Sweden. Freddy Sobin is 41 years old, Swedish citizen and resides in Sweden.



Lars Syse Christiansen
CFO

Lars Syse Christiansen has been the CFO in XXL ASA since August 2024. Christiansen came from the position as chairman of the board for Cardboard and Wanda, companies he has also co-founded. He holds a Master of Science in Management from the London School of Economics, as well a management program in Corporate Finance and Investment Analysis and a Master of Marketing Management from the Norwegian School of Management (BI in Oslo). Before co-founding Wanda, a circular logistics platform, he served as CFO of Otovo AS, a company he co-founded back in 2015. Otovo is a leading online solar sales platform, listed on the Oslo Stock Exchange, with operations in Norway, Sweden, France and Spain. From 2012-2014 he served as CFO in Circle K Europe, a global convenience retail chain. Lars Syse Christiansen has also been CFO in Storebrand Bank ASA as well as Head of Business Development in Posten Norge AS. He is also an experienced Board Member mostly within start-ups and venture companies. He is currently serving on the Board of Ruter AS, a provider of public transport in the Oslo region. Mr. Syse Christiansen is a Norwegian citizen and resides in Norway.



Dawid Gosciniaik
COO

Dawid Gosciniaik has been the Group COO of XXL since May 2024. He came to XXL after around 20 years in different senior positions within H&M Group, most recently as the Global Head of H&M Store Experience and Commercial with the overall responsibility for retail store channel strategy, channel integration and customer experience. Dawid has a strong operational and diverse international background and has held positions including Group Head of Retail Space, Country Sales Manager in Greater China, and Head of Expansion, Leasing, Store Planning and Construction in both Greater China and Southeast Asia and CEE. Mr. Gosciniaik is a Polish citizen and resides in Sweden.



Emelie Friis

EVP MARKETING & GROWTH

Emelie Friis has been the EVP Marketing & Growth in the XXL Group since August 2023. Previously she held the position as Chief Marketing Officer (CMO) in Kronans Apotek, being responsible for a turn-around of the marketing department from analogue to unified commerce. She has also been working with both E-commerce, digital transformation and CRM. Emelie started her career as art director and creative director in several communication agencies and has also worked in V&S Group and Pernod Ricard with strong brands like Absolut Vodka, Malibu and Kahlua. Emelie Friis is a Swedish citizen and resides in Sweden.



Tolle O. R. Grøterud

EVP HUMAN RESOURCES, COMMUNICATIONS, STRATEGY AND SUSTAINABILITY

Tolle O. R. Grøterud has been EVP HR & Communications since September 2020 and Chief of Staff since April 2020 with the responsibilities for Group Human Resources and Communication including Investor Relations, Strategy and Sustainability. He acted as the interim Managing Director Norway from November 2020 until June 2021, held the position as interim CEO of XXL ASA from December 2018 until April 2020 and interim CFO of XXL ASA from July 2018 to October 2018. Before that Grøterud was Investor Relations and Strategy Director in XXL ASA from September 2014. Prior to joining XXL, he served as Partner and Equity Sales in Arctic Securities AS and as Vice President Investor Relations in Telenor ASA. Mr. Grøterud holds a M.Sc in Finance from the Norwegian School of Economics. Tolle O. R. Grøterud is a Norwegian citizen and resides in Norway.



Simen Swanstrøm Helly-Hansen

EVP CATEGORY, BUYING AND SUPPLY CHAIN

Simen Swanstrøm Helly-Hansen has been the EVP Category, Buying & Supply Chain in XXL Group since November 2023. Helly-Hansen has a strong and diverse international experience of more than 20 years in different senior positions within retail. He came 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 Helly-Hansen 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. Mr. Helly-Hansen is a Norwegian citizen and resides in Norway.



Peter Jansson

EVP IT & TECH

Peter Jansson has been the SVP IT & Technology in XXL Group since November 2023. He has been employed in XXL since 2017 with the responsibility for tech development and IT architecture. Before joining XXL Peter Jansson 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, Jansson has technical competence from Ericsson where he worked as a software designer and solutions integrator. Peter Jansson is a Swedish citizen and resides in Sweden.

Board of Directors

Håkan Lundstedt

CHAIRMAN

Håkan Lundstedt is the President and CEO of Synsam Gruppen, a position he has held for over 8 years. Previously, he has also been the CEO of Mekonomen Group and the CEO in Lantmännen AXA. During his time at Mekonomen Group, he also served as a member of the executive management team at Axel Johnson Group. Overall, Håkan has more than 25 years of experience within consumer-oriented businesses. Håkan Lundstedt is a Swedish citizen and resides in Sweden.

Tom Jovik

BOARD MEMBER

Tom Jovik is a Principal at Altor Equity Partners and has been in the company since 2011. Prior to joining Altor he worked as management consultant for Arkwright. Jovik holds an MBA from the Wharton School of the University of Pennsylvania (US) and a degree from the Norwegian School of Economics (NHH). He is a Norwegian citizen and is resident in Norway.

Petra Axdorff

BOARD MEMBER

Petra Axdorff is an experienced senior executive with international experience in retail. She was the CEO of BAMA Gruppen until January 2024. Prior to this, Axdorff held several leadership positions within the IKEA system for nine years, most recently as the CEO of IKEA Iberia. Prior to joining Ikea, she held leadership positions at ICA and Axfood. Axdorff holds a Master of Science degree from Linköping University. She is a Swedish citizen and resides in Norway.

Kari Ekelund Thørud

BOARD MEMBER

Kari Ekelund Thørud is the Executive Vice President, Hydro Energy, a position she has held since July 2024. Previously, she has been Vice President Ownership and Governance, Business Unit Energy in Norsk Hydro, CEO of Nord Pool and Deputy CEO and SVP Markets in Hafslund Oslo Celsio. Kari is a Norwegian citizen residing in Norway.

Ronny Blomseth

BOARD MEMBER

Ronny Blomseth is CEO of Power International, one of the leading electronic retail chains in the Nordics, a position he has served since 2014. Prior to this, he was the CEO of Elkjøp Nordic. Ronny was a board member of XXL from 2003 to 2022 and has also held other board positions in consumer-oriented businesses. Ronny is a Norwegian citizen residing in Norway.

Kine Ludvigsen

BOARD MEMBER - EMPLOYEE REPRESENTATIVE

Kine Ludvigsen is an operations manager in Norway. Prior to this she served as store manager in several stores in Norway and as a sales leader. She is a Norwegian citizen and resides in Norway.

Tor Andrin Jacobsen

BOARD MEMBER - EMPLOYEE REPRESENTATIVE

Tor Andrin Jacobsen is the store manager of the store in Sartor, Norway. Prior to this he served as a sales leader in XXL's store in Åsane, Bergen, and has been in the company since January 2009. He has held various positions in the company, from part time worker in store to substitute store- and sales manager in Norway. From 2016 he has also been responsible for education of all outdoor departments in new stores, both in Norway and Austria. Tor Andrin is educated nutritionist and also studies business economics at the University of Tromsø. He has been an employee representative in the Board since October 2021. He is a Norwegian citizen and resides in Norway.

Kjell Arne Fikerud

BOARD MEMBER - EMPLOYEE REPRESENTATIVE

Kjell Arne Fikerud is working at the Central Warehouse facility in Norway with the fulfillment system Autostore. This is a position he has held since 2016. Kjell Arne has a long experience within logistics serving for several industrial and retail companies both within inbound and outbound flow of goods as well as warehouse manager roles. Kjell Arne Fikerud has been employee representative in the Board since September 2023. He is a Norwegian citizen and resides in Norway.

Board of Directors' Report

2024 remained a demanding year for the Nordic sporting goods industry, as the anticipated recovery in consumer demand did not materialise. XXL continued to operate in a volatile market environment, further challenged by low product availability and mild winter conditions. Despite this, the company delivered quarter-over-quarter sales recovery, improved gross margins, and returned to positive EBITDA for the year.

In parallel, XXL maintained strict cost and liquidity control while executing on the Reset & Rethink strategy to drive long-term profitability. A fully underwritten rights issue of NOK 600 million was launched to support working capital and strategic growth initiatives in 2025.

Total operating revenue in 2024 was NOK 7 183 million (NOK 7 961 million) equalling 9.8 per cent decline compared to 2023, and net loss was NOK 1 717 million (negative of NOK 1 590 million).



Reset & Rethink Strategy

In 2024, XXL continued to execute on its strategic transformation program Reset & Rethink, launched in mid-2023 to improve profitability, strengthen competitiveness, and secure long-term growth in our core Nordic markets. The strategy is centred around five Must-Win Battles—Category Reset, Availability, Store Operations, Pricing, and E-commerce Profitability—and four long-term Strategic Pillars: restructuring our store portfolio, accelerating E-commerce, growing private label, and leveraging services.

Despite continued market headwinds and product availability constraints, we made tangible progress across key areas. Gross margin and E-commerce profitability improved year-over-year, and we saw increased efficiency in store operations and higher sales of private label products. Revenue from private label grew by 7 % compared to 2023, supported by new brand launches and partnerships. We also achieved significant cost reductions, completing our NOK ~300 million gross OPEX program and maintaining strict cash and liquidity discipline.

While the targeted EBITDA uplift of NOK 500–750 million is now expected in 2026, we believe the foundational improvements made in 2024—in assortment, pricing, operations, and digital capabilities—will drive sustainable margin and top-line growth from 2025 onward. In 2025 XXL has started to yield results from the progress in the “Reset & Rethink” strategy with a 7 per cent growth in operational revenue in Q1 2025.



Looking ahead, XXL will continue optimising its store portfolio, invest in E-commerce and loyalty, and drive efficiencies across the value chain. The Group’s long-term financial ambition remains to achieve 40 % gross margin, 30 % OPEX share, and 10% EBITDA margin (pre-IFRS 16).

Revenue development

Total operating revenue in 2024 was NOK 7 183 million (NOK 7 961 million), a decrease of 9.7 per cent. There was a negative like for like sales of 11.7 per cent adjusted for currency fluctuations. The decline vs 2023 were mainly explained by challenging markets, driven by low consumer confidence and reduced demand for sporting goods, but also loss of market share

During 2024 XXL closed one store in Finland (Redi). There were no opening of new stores during 2024.

E-commerce had a decline of 15 per cent for the year. The revenue contribution from E-commerce for the Group corresponded to 22.4 per cent in 2024 (23.8 per cent). The decline in E-com sales was mainly explained by post-covid effects of reopened stores and changed consumer habits back to traditional retail channels.



Trends

In Norway, figures from “Sportsbransjen” (The Norwegian sports association) showed a market decline of 4.4 per cent for 2024 while XXL decreased by 10.0 per cent.

Sweden figures from SCB (Statistics Sweden) showed a market decline of 2.5 per cent while XXL decreased by 7.4 per cent (in local currency).

In Finland, figures from TMA (Finnish Fashion and Sports Commerce Association) which represents about 75 per cent of the total market, showed a decline of 9.1 per cent while XXL had a negative growth of 17.5 per cent (in local currency). The loss of market shares, especially towards the outlet segment in all Nordic countries was undesirable and has spurred the Reset & Rethink strategy.

XXL believes that E-commerce will continue to increase its share of sports retail. It is therefore of high importance for XXL to be in front of this development and invest significantly in the E-commerce platform. XXL believes that having the combination of E-commerce and stores is the most convenient and winning model.

XXL will continue to utilize its scale to have the lowest operating costs through a centralized model and provide the broadest selection of attractive products at the best prices with the most qualified employees.

Financial information

Consolidated financial result

Total operating revenue in 2024 was NOK 7 183 million (NOK 7 961 million), a decline of 9.8 per cent. There was negative like-for-like growth in total of 11.7 per cent adjusted for currency fluctuations. The decline vs 2023 was mainly explained by challenging markets, driven by low consumer confidence and reduced demand for sporting goods in general, but also due to loss of market shares. The revenue contribution from E-commerce for the Group corresponded to 22.4 per cent in 2024 (23.8 per cent). E-commerce is included in the like-for-like figure. EBITDA in 2024 was NOK 74 million (negative NOK 80 million). Although the revenue dropped by NOK 778 million, gross profit increased by NOK 72 million. The cost-out program has gained momentum, yielding an OPEX saving of NOK 83 million, including non-recurring costs of NOK 46 million in Q4.

Operating income increased from negative NOK 1 409 mil-

lion in 2023 to negative NOK 1 371 million in 2024, of which the EBITDA increase of NOK 154 million was partly offset by the increase of depreciations on leasing contracts and an impairment of goodwill amounting to NOK 670 million. The operating margin decreased from negative 17.7 per cent to negative 19.1 per cent and is explained by reduced revenue exceeding EBIT improvements.

The Group had net financial expenses of NOK 183 million in 2024 compared to NOK 186 million in 2023. The group incurred more interest expenses due to the MAP/APA and VAT cases, which was more than offset by currency gains.

Loss before tax was negative of NOK 1 553 million (negative NOK 1 595 million) and Net income was negative by NOK 1 717 million (negative NOK 1 796 million). The improvement in Net Income is explained by an EBITDA increase of NOK 174 million and Exit Austria with NOK 206 million effect. Tax expense increased with NOK 169 million, explained by MAP/APA settlement and impairment of deferred tax assets. Basic earnings per share were negative NOK 77.7 (negative NOK 193.14). In 2024 XXL conducted a reverse share split, which the 2023 figure is adjusted for.



Consolidated Balance Sheet and Cash Flow Statement

Total assets were NOK 6 380 million at the end of 2024 (NOK 7 542 million). The reduction is mainly explained by goodwill impairment of NOK 670 million and negative cash flow of NOK 240 million.

Net interest bearing debt was NOK 1 196 million (NOK 876 million). Net cash position was NOK 166 million (NOK 406 million). Adding available credit facilities, the liquidity reserve was NOK 341 million (NOK 760 million) at the end of 2024. In 2024 XXL reduced its credit facility of NOK 300 million, which explains most of the reduction.

Group equity was NOK 1 201 (NOK 2 310 million) resulting in an equity ratio of 18.8 per cent (30.6 per cent). In 2024 XXL raised NOK 500 million in a private placement and NOK 60 million in a subsequent repair offering.

Cash flow used for operating activities was NOK 34 million (NOK 198 million). The reduction of cash flow is mainly explained by net working capital, which increased by NOK 47 million (reduced by NOK 271 million). In 2023 XXL reduced its inventory by NOK 552 million to boost liquidity.

Cash flow from operations does not consider GAAP differences (i.e. IFRS 16) which constitute the major difference between cash flow from operations and Operating income in the financial statements.

Cash used for investing activities was NOK 85 million (NOK 129 million). This is mainly related to investments in existing stores and proprietary software. XXL prioritized investing in



the downsizing and relocation of stores to reduce rental cost.

Cash used by financing activities amounted to NOK 116 million (cash used of NOK 285 million) in 2024. The figure includes most notably capital raise of MNOK 560 and lease payments of 642 million.

Parent company XXL ASA

In 2024, the Parent company XXL ASA incurred a net loss of NOK 2 254 million (net loss NOK 606 million) Out of which NOK 2 172 million relates to impairment of shares in subsidiaries Cash flow from operating activities was negative of NOK 734 million (negative NOK 966 million). The negative operational cashflow is mainly explained by income before income taxes of negative 2 228 million and increase of intra-group working capital of NOK 689 million. Cash provided through share issues was MNOK 548 which was predominantly used for financing of subsidiaries through intercompany accounts.

Total assets at Year-end amount to NOK 1 834 million (NOK 3 641 million) and total equity is NOK 1 495 million (NOK 3 200).

Allocation of net income (Group)

Due to the negative result the Board of Directors propose that no dividend distribution will take place for the fiscal year 2024. Long term, XXL has a dividend policy with a target pay-out ratio of 40-50 per cent of the Group's annual, normalised net income.

Risk management

Risk Management in XXL has identified five risk areas; being; financial risk, market risk, operational risk, management risk, and IT risk. The mitigation of risk is based on an approach based on whether it is a safeguarding measure of a preventive or detective nature. The company evaluates risk based on three categories; Financial Impact on EBITDA, probability and severity of the respective risks.

Overall, XXL has seen an evolution of the company's risk profile in the context of increasing sustainability expectations as well as an uncertain geopolitical and competitive landscape.

See more information on sustainability related risks in Impact, Risks and Opportunities table under the Sustainability Statements. Despite XXL's best efforts, the risk-mitigating initiatives may fail or prove to be inadequate to mitigate all risks. As risks increase, decrease or change and new risks emerge over time.

Financial risk

XXL uses bank loans and existing cash flow from operating activities as its main source of funding to secure capital for growth. For commercial hedging purposes, the Group uses derivatives. XXL does not apply hedge accounting or use any financial instruments, including derivatives, for trading purposes. Procedures for risk management are approved by the Board. The main financial risks that the Group is exposed to are interest rate risk, liquidity risk, currency risk and credit risk. The Group's management regularly evaluates these risks and establishes guidelines to manage these risks.

Credit risk

The Group is mainly exposed to credit risk for trade and other receivables. The Group mitigates its exposure to credit risk by ensuring that all parties requiring credit, such as customers, are approved and subject to a credit check. The Group does not have significant credit risk associated with a single counterparty or counterparties which can be viewed as a Group due to similar credit risk. The Group has policies in place to ensure that sales are made to customers who have not had significant problems with payment and the outstanding amount does not exceed the established credit limits. Maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet.

The Group considers its maximum risk exposure to be the carrying amount of accounts receivable.

Interest risk

The Group is exposed to interest rate risk through its financial activities. The interest-bearing debt has floating rates, which means it is affected by changes in interest rates. The purpose of the Group's interest rate risk management is to reduce interest costs and at the same time keep the volatility of future interest payments within acceptable limits.

Market risk

The Group faces substantial competition in the sports retail industry from a wide range of different concepts, including pure online players. Actions taken by competitors, as well as actions taken by the Group to maintain its competitiveness and reputation, will continue to put pressure on the pricing strategy, net sales growth and profitability.

Customer preferences and trends in the sports and outdoor equipment market are volatile and tend to change rapidly. The business of the Group is dependent upon being able to anticipate, identify and respond to changing trends and customer preferences. If not, the sales may be lower than predicted and the Group faced with an increased amount of unsold inventory. This could lead to the need of more promotional sales and may also impact the XXL brand image and customer recognition.



The business is subject to seasonal peaks and the Group must actively manage the purchase of inventory. Sports retail in general is also to some extent affected by periods of abnormal, severe, and unseasonal weather conditions, such as unfavourable snow conditions. Efficient logistics of the Group provides for the ability to rapidly switch from winter to summer assortment.

The Group believes it is well-positioned with regards to relative price offerings in the markets, but consumer spending on sporting and outdoor goods may be adversely impacted by economic conditions such as consumer confidence, interest and tax rates, employment level, salary and wage levels, general business conditions, consumer credit and housing, energy, and food costs.

Supply chain risk

Disruption to the supply chain leading to shortages of goods is a risk that has increased during the last years due to the increased challenging macro environment.

The Group monitors the supply chain risk closely to make sure XXL takes mitigating actions when necessary.

Sustainability

Introduction

As a major player in the retail sector of sporting goods, the group is aware of the imperative to engage with environmental, social, and governance (ESG) issues proactively. Our corporate values are underpinned by the conviction that our business objectives must be pursued in a manner

that is ethically sound, respectful of human dignity, and environmentally sustainable.

The evolution of sustainable development into a key competitive lever in today's fast-paced market environment is an acknowledgment of its role in securing market expansion, customer diversity, and innovation. The European Union's sustainable finance action plan has been a pivotal influence, reshaping investment landscapes and emphasizing the importance of sustainability. This plan aims to channel investments into sustainable ventures, diminish funding for industries that exacerbate climate change, manage environmental and resource-related financial risks, and encourage a shift towards transparency and sustainability in economic and financial decision-making.

In response to these shifts, XXL works to integrate sustainability initiatives, manage risks, mitigate negative impacts and pursue opportunities in both our own operations as well as our value chain. We are committed to embedding sustainability at the core of our business strategy and operations. Our intent is to maximize shareholder value while making meaningful contributions to societal well-being and environmental preservation. This commitment not only aligns with emerging global trends but also resonates with our dedication to fostering sustainable, inclusive growth.

XXL has reported in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). The report is subject to assurance from an external third party with limited assurance. The assurance statement from our auditor PwC

can be found in the latter part of the annual report.

Corporate Governance

XXL adheres to the Norwegian Code of Practice for Corporate Governance, ensuring alignment with governance standards for companies listed on the Oslo Stock Exchange. Compliance with the standards is detailed in the section Corporate Governance in XXL ASA, referencing relevant sections of the Code of Practice. XXL's corporate governance policy is rooted in the Code of practice, serving as a framework to uphold transparency and accountability, supporting our core objectives and shareholder interests.

Approved by the Board of Directors, XXL's governance documents establish clear principles for conducting business across all company units. The Board exercises oversight to ensure the implementation of robust governance practices, revising these documents annually to maintain relevance and effectiveness in promoting responsible corporate behaviour.

Our evaluation of risks and impacts—both external and internal—facilitates a comprehensive understanding of our priorities in mitigating adverse occurrences that affect our financial stability and have detrimental effects on the environment and society. We recognize that our approach to addressing these challenges and seizing the opportunities they present is of increased value for our enduring financial health and competitive stance in the market.

The XXL Code of Conduct is anchored in the group's four core values: CUSTOMER-FIRST, KNOWLEDGEABLE, PASSIONATE, CARING. These values serve as the bedrock

of our identity and guide our actions. The Code articulates our pledge to uphold the utmost legal and ethical standards in both our business operations and individual conduct. To ensure the Code's principles and the directives of our Anti-Corruption Guide are thoroughly understood and adhered to, we offer a case-based e-learning training program. This educational initiative is mandatory for all employees, including management and the Board of Directors, reinforcing our collective commitment to integrity and compliance.

The XXL whistleblowing channel is accessible to all employees, business partners, and external parties wishing to report actual or suspected violations of applicable laws, regulations, or deviations from the XXL Code of Conduct. We are dedicated to upholding the highest standards of ethical conduct, promoting an environment where speaking up is valued, and actively encouraging all stakeholders to voice any concerns. These contributions are vital for the continual ethical evolution and integrity of XXL.

The internal control functions oversee the group's activities, aiming to maintain high quality standards while identifying and mitigating potential risks and deficiencies. The comprehensive approach encompasses regular risk evaluations prior to procurement, in-store audits for internal control, meticulous pre-shipment quality assessments, and thorough audits at manufacturing sites. We consistently refine our internal protocols for product compliance, ensuring they are in alignment with both European Commission regulations and national legislative standards.

The group manages and controls risks, collaborating with the Board Audit Committee and external auditors. By utilizing expert insights and comprehensive analyses, the company aims to mitigate potential negative impacts on both itself and society. Recognizing the risks of inaccurate sustainability reporting and data errors, XXL ASA continuously improves stringent review and control processes across its operations to ensure data integrity.

Organization

XXL is a sports retail chain, with stores and E-commerce in Norway, Sweden, and Finland. The Group's headquarter is in Oslo (Norway), and the Group also has an office in Stockholm (Sweden), Helsinki (Finland), as well as a procurement service office in Lucerne (Switzerland). By year end 2024 XXL had 39 stores in Norway, 30 in Sweden and 16 in Finland, as well as a central warehouse at Gardermoen (Norway) and Örebro (Sweden). The Group operates 85 stores.

The working environment and the employees

The Group has 4 220 employees (incl. full- and part time) at year end 2024 (4 356 in 2023). Leave of absence due to illness totalled at 6.7 per cent of total working hours in the Group in 2024 (6.9 per cent in 2023). No incidences or reporting of work-related accidents resulting in significant material damage or personal injury have occurred during the year. See more information in the Sustainability Statement, Own Workforce section.

The Board would like to thank all the XXL employees for their dedication to the company and our concept. 2024



has been a challenging year for the Group and we appreciate all your hard work and dedication.

Equal opportunities

The Group aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion, and recruiting.

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion, and faith. XXL is working actively, determined and systematically to encourage the act's purpose within the business through recruiting, salary and working conditions, promotion, development opportunities and protection against harassment. The Group is actively investigating and analysing sources of discrimination in the organization.

The Group has traditionally recruited from environments equally dominated by bothmen and women. Out of the Group 4 220 employees there are 1 805 female employees which equals 43 per cent. We refer to the sustainability report for statement on gender equality and fulfilment

of activity obligation. See more information in Sustainability Statements, Notes to Own workforce.

Norwegian Transparency Act

XXL has rigorously upgraded its supply chain due diligence frameworks to be in line with the OECD guidelines tailored for Multinational Enterprises. This enhancement is in direct response to the stipulations of the Norwegian Transparency Act, enacted on July 1, 2022, which mandates that Norwegian corporations systematically engage in due diligence to identify, mitigate, and disclose how they address both direct and potential adverse impacts within their supply chains. See more information in the Sustainability Statements, sections on Human Rights, Workers in the value chain and Business Conduct.

To fortify sector-wide adherence to these requirements, XXL has assumed a pioneering role in fostering collaboration within the Norwegian Sporting Goods Industry organization. This initiative aims to cultivate a consensus on supply chain due diligence standards that prioritize human rights and fair labour practices. By consolidating our efforts and adhering to unified principles, we anticipate a marked reduction in the risks associated with non-compliance and regulatory infractions.

Our proactive stance in this collaborative industry effort not only exemplifies our leadership but also signifies our unwavering commitment to ethical business conduct. By integrating these enhanced due diligence processes, XXL is setting a benchmark for corporate responsibility, and affirming our reputation for principled operational practices.

A statement detailing XXL's adherence to the diligent practices mandated by the Norwegian Transparency Act is accessible on XXL's website, within the Sustainability section. The forthcoming 2024 update, which outlines the group's continuous commitment to these diligent practices, will be made available on XXL's website in June 2025. The board of directors confirms that XXL is compliant with the Norwegian Transparency Act.

EU Taxonomy

In compliance with regulation EU (2020/852) and its supplementing delegated acts, XXL, as a non-financial company, presents its report on revenue (turnover), capital expenditure, and operating expenses related to Taxonomy-eligible and Taxonomy-aligned economic activities. The

report includes detailed information on our alignment with the EU Taxonomy framework shown under the Sustainability Statements, Statement on EU Taxonomy for sustainable economic activities, outlining our activities in accordance with the specified regulations.

The Board of Directors is dedicated to incorporating risk management into strategic decision-making, enhancing profitability while maintaining a commitment to societal and environmental responsibility.

Going Concern and Business Outlook

Going Concern

In accordance with Norwegian accounting regulations, the Board of Directors confirms that the prerequisites of a going concern have been met in the presentation of the annual financial statements. 2023 and 2024 have been the most challenging years for XXL and require the board to elaborate on the going concern assessment, and the uncertainty relates to sales shortfall. At the end of 2024 XXL had a liquidity reserve of NOK 341 million and enforces strict control with capital allocation and cash management. The Reset & Rethink strategy is progressing well, and XXL is poised to make substantial improvements to its operational and financial performance in 2025.

The Board of Directors and XXL's management are closely monitoring performance and frequently updating cash-flow forecasts in order to take advantage of opportunities and mitigate potential downside risk. In the first quarter

2025 XXL has seen positive sales growth and substantial improvements in key performance indicators. Furthermore, XXL is successfully progressing on its Category Reset and Availability initiatives which results in more inventory, and thus sales, at a lower inventory investment. The reinvigorated cost-out program has been expanded with capital-out. Initiatives that will release capital and cut costs in a substantial manner have been initiated. Lowered interest rate in Sweden, and the potential lowering of interest rate in Norway and high salary increase, imply increased consumption moving forward. See the assessment of risks relating to tariff disputes and working capital in the sections below.

Considering these factors the Board of Directors assesses that the conditions for going concern is met, but the uncertainty needs to be closely monitored and managed

Risk assessment in connection with going concern

The business model of XXL makes it highly sensitive to changes in consumer demand for sport and outdoor equipment, thereby affecting the ability to achieve a positive cash flow. In a scenario where the Nordic sporting goods & outdoor market does not develop as anticipated or XXL is unable to successfully achieve the planned benefits from the improvement initiatives, XXL could face a working capital shortfall ahead of or during Q4 2025 in the amount of NOK 200 million to NOK 400 million in connection with seasonal purchases of goods for resale.

The ongoing trade tariff disputes have heightened overall risk and uncertainty in the macroeconomic environment in which XXL operates. Provided that no complications arise in the relationship between Switzerland, Norway, and the

European Union, the short-term direct impact of increased tariffs is assessed to be limited. In the short to medium term, a general surplus of goods in China and other Asian countries may necessitate the redirection of supply towards European markets. Combined with potential overcapacity in global production, this could place downward pressure on product prices.

Increased consumer uncertainty may adversely affect demand for higher-priced product categories. However, this may be partially offset by a potential increase in regional tourism, should more consumers choose to spend their holidays within the Nordic region. Looking ahead, the long-term outlook may prove negative if current developments result in a regional or global economic slowdown or recession, ultimately leading to reduced consumer purchasing power.

Subsequent events

On January 6th, 2025 XXL announced a fully underwritten rights issue of NOK 600 million. The net proceeds from the offering will be used for general business purposes and to strengthen the balance sheet.

More information about the rights issue can be found on <https://newsweb.oslobors.no/message/636016>

In February XXL increased the bridge facility by NOK 100 million to NOK 300 million. The bridge facility was repaid with the proceeds from the Rights Issue.

Outlook

XXL's target and goal going forward is to over time regain market shares in all markets and continue the growth in the

E-commerce channel.

XXL has implemented several strategic initiatives in relation to the Reset & Rethink strategy and will continue pursuing improved profitability and operational efficiency going forward. The longer-term target is “40 -30 -10” on gross margin, OPEX and EBITDA respectively and when excluding IFRS 16 effects. With FY2022 as a base, Reset & Rethink is expected to improve EBITDA by 500-750 million in the next 12-18 months. In addition to XXL's best efforts, the full potential of Reset & Rethink will unfold when the Nordic sports market recovers.

In line with the existing strategy, XXL will continue to invest in operational efficiency, selective new store openings, E - commerce platform, existing stores, infrastructure, and IT. Total CAPEX for XXL Group in 2025 is expected to be around NOK 100 million.

Going forward XXL plans for one new store opening in 2025, and relocating stores where the lease is expiring. At the same time XXL will be downsizing several existing stores, where the contract period is approaching an end. The downsizing strategy entails reduced store space, and thus the rent, but also maintaining XXL's wide assortment. The expected annual cost-saving from the store projects in 2025 is NOK 40 million. The Group will continue to focus on optimizing the store portfolio.



A man and a woman are jogging on a paved path that winds through a dense forest. The woman, on the left, is wearing a pink t-shirt, teal shorts, and white sneakers. The man, on the right, is wearing a dark green jacket, teal shorts, and bright blue sneakers. Both are smiling and appear to be in good physical condition. The background is filled with tall, thin trees and lush green foliage, suggesting a park or a natural setting. The lighting is bright, indicating it's daytime.

ESRS Sustainability Statement

XXL

Integrated Annual report 2024

**Sports
unite all**

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DISCLOSURES RELEVANT IF THE SUSTAINABILITY STATEMENT IS PREPARED ON A CONSOLIDATED BASIS

XXL's reporting aims to offer stakeholders a comprehensive and balanced overview of factors, engagements, practices, and outcomes for 2024. The sustainability statement aligns with the consolidated basis used for financial reporting, as well as the XXL's upstream and downstream value chain.

Disclosures in relation to specific circumstances

Information about assumptions related to each metric, including use of indirect information and uncertainty is provided in the relevant sections together with metric tables under each topical ESRS. See section E1 for information on sources of estimation and outcome uncertainty for our cli-

mate accounting. There have been no revised comparative figures or reporting errors in prior periods. XXL has adopted short (0-1 year), medium (up to five years) and long-term (more than five years) time horizons consistent with those defined in ESRS 1 section 6.4 for the definitions of impacts, risks and opportunities.

For the reporting year of 2024, S1 has been assessed to be material but has phase-in Disclosure Requirements that have been partly or fully omitted. Specifically, this relates to S1-7, S1-11, S1-12, S1-14 and S1-15. We have also used the option to phase-in E1-9 and E5-6.

Disclosure requirements that have been incorporated by reference:

- ESRS GOV-1 22 (a) (Remuneration report)



Sustainability Governance

INFORMATION ABOUT THE COMPOSITION AND DIVERSITY OF MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Number of executive members

Metric	Total
Number of executive members (head count)	3

Number of non-executive members

Metric	Total
Number of non-executive members (head count)	8

XXL has 3 employee representatives in the Board, representing the three units: XXL Headquarter, XXL Store operations and XXL Warehouse and logistics. The remaining Board members have extensive experience from the retail sector in the Nordics working with similar product categories. Overall, the board possesses significant competency and experience relevant to the undertaking.



Number and percentage of members of the administrative, management and supervisory bodies by gender

Metric	Total
Number and percentage of members of the administrative, management and supervisory bodies by gender (head count)	11 (100%)
Female (head count)	3 (27.27%)
Male (head count)	8 (72.73%)
Other gender (head count)	0 (0%)
Not reported (head count)	0 (0%)

Board's gender diversity ratio

Metric	Total
Board's gender diversity ratio (%)	37.5

Percentage of independent board members

Metric	Total
Percentage of independent board members (%)	62.5

REPORTING PRINCIPLES

- The board gender diversity ratio is calculated as average ratio of female to male board members.
- Independent board members are calculated as the percentage of independent members to total board members.

INFORMATION ABOUT ROLES AND RESPONSIBILITIES OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

XXL's Top Management (as presented in the Remuneration Report) is tasked with the day-to-day operational adherence to these standards, ensuring that the Company's strategic objectives are aligned with ethical practices and conduct and legal compliance.

The Senior Management Team (SMT, entire management team) is represented in the steering group for our CSRD preparations and reporting, being closely linked to the oversight of impact, risks and opportunities. The SMT approves the material IROs and the material sustainability topics which are subsequently subject to formal approval in the BoD. The XXL Chief Executive Officer is ultimately responsible for decisions on corporate sustainability strategy and governance supported by the SMT.

BOARD OF DIRECTORS AND AUDIT COMMITTEE

XXL Board of Directors (BoD) and its Audit Committee (AC) are responsible for XXL's overall sustainability agenda, including ensuring that our corporate governance, environmental, social, and ethical practices are adequate. The governance structure integrates comprehensive risk management and internal controls, emphasizing transparency, accountability, and ethical business practices. The BoD

is responsible for approving our sustainability strategy and governance, including integration of such considerations into decisions on major transactions and the risk management process in the company. The AC is responsible for monitoring the external audit process and progress of reporting on material impacts, risks and opportunities and related sustainability information. Sustainability is discussed as an integrated part of the agenda at all AC and BoD meetings.

DESCRIPTION OF MANAGEMENT'S ROLE IN GOVERNANCE PROCESSES, CONTROLS AND PROCEDURES USED TO MONITOR, MANAGE AND OVERSEE IMPACTS, RISKS AND OPPORTUNITIES

XXL's approach to risk management includes identifying, assessing, and addressing ethical and compliance risks aligned with our business strategy. The Company actively manages risks related to corruption, fraud, and unethical behaviour, with policies and procedures designed to mitigate these risks effectively. The approval and oversight of the process to manage impacts, risks and opportunities have been formalized through a structured procedure in both SMT, AC and BoD to ensure internal control. Additionally, the work with sustainability related impacts, risks and opportunities are integrated into the company's overall risk assessment. The outcome of this is also subject to approval from the management and BoD.

The management is responsible for ensuring controls and procedures are integrated with other internal functions through cross functional collaboration and approval from the SMT with representatives from different departments.

XXL's sustainability targets represent our commitment to ensure that sustainability is embedded in everything we do. The Sustainability Team is working with different parts of the organization and the SMT to align our sustainability-related targets and action plans with our overall strategy in the company. The targets and action plans for our material sustainability topics are incorporated into our strategic framework objective, goals, strategy, measures (OGSM) across the different divisions in the organization. The outcome of our strategic sustainability initiatives is subject to evaluation in the SMT and approval by the BoD.

DISCLOSURE OF HOW IT IS DETERMINED WHETHER APPROPRIATE SKILLS AND EXPERTISE ARE AVAILABLE OR WILL BE DEVELOPED

The administrative, management and supervisory bodies possess a range of different skills and expertise to ensure that we capture sustainability related impacts, risks and opportunities. The sustainability team arranged a seminar to increase the overall competency of the administrative, management and supervisory bodies about sustainability-related topics in early 2025. The seminar covered a general introduction to CSRD, as well as all the material topics for XXL and the process to identify and follow up on the specific topics, including governance, strategy, IRO management and reporting. Additionally, members from the management have planned to develop the sustainability-related expertise through a third-party sustainability course during 2025.

The planned developments to increase the sustainability-related skills and expertise are directly relevant to the material impacts, risks and opportunities for XXL. This is reflected in



the planned best-practice learning structures from leading third-party companies, enabling the XXL management and Board to challenge the overall sustainability agenda in the company and to drive progress on material sustainability topics and the relevant impacts, risks and opportunities. Furthermore, this provides improved anchoring of our sustainability efforts and integrates the material impacts, risks and opportunities across the organization.

INFORMATION ABOUT ROLES AND RESPONSIBILITIES OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The role of administrative, management and supervisory bodies in overseeing business conduct at XXL is well defined. The XXL Board of Directors can make changes or waivers to the Code of Conduct, setting the overall ethical standards for the company. The XXL CEO, Senior Management Team and managers at all levels are responsible for implementing and following the Code in the operations. The Ethics & Compliance Officer (ECO) has a key role in coordinating compliance activities and investigating any reported concerns. The company also designates local Ethics & Compliance Associates (ECA) in each entity to facilitate compliance at a local level. Violations of the Code can lead to corrective actions up to termination of employment and are treated with utmost seriousness.

The expertise of the administrative, management and supervisory bodies on business conduct matters is embedded in the conduct policies of XXL. This is demonstrated through the "Code of Conduct" which everyone associated with XXL are required to comply with. Essential components



include understanding and commitment to compliance and integrity, best interests of XXL, personal integrity, and corporate citizenship. They complete a tailored training program on ethical and lawful business conduct, which includes areas such as corruption, whistleblowing and management of suppliers. The training program is part of the new XXL Academy platform completed by all employees.

DISCLOSURE OF HOW THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES ARE INFORMED ABOUT SUSTAINABILITY MATTERS AND HOW THESE MATTERS WERE ADDRESSED

The administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them. The information is provided by the XXL Sustainability Team in close collaboration with the steering group in the CSRD-readiness project and representatives from the Finance department. All material IROs as illustrated in the IRO overview are assessed by the administrative, management and supervisory bodies.

Relevant sustainability matters are on the agenda of all audit committee meetings unless otherwise agreed during the planning process of each meeting. These meetings have a varied frequency and follows the financial calendar throughout the year. Matters related to sustainability strategy and governance are on the agenda of the BoD if deemed relevant by the AC, as a minimum on an annual basis. Trade-offs associated with impacts, risks and opportunities have been considered by administrative, management and supervisory bodies through the formal approval of the DMA process and outcome in the Board of Directors meeting.

DISCLOSURE OF INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

XXL's sustainability performance is measured based on targets set in our overall strategic framework Objective, Goals, Strategy, Measures (OGSM) across all organizational units. This includes measuring performance based on our GHG emission reductions targets in accordance with the Paris agreement. Incentive schemes and employees' bonus earning targets are incorporated in our OGSM framework.

The specific sustainability-related targets and impacts used to assess performance of members of administrative, management

and supervisory bodies are reflected in our material sustainability topics, including climate-related considerations. Please refer to topic-specific sections for more detailed information on our sustainability-related targets (E1, E5 and S1). These targets were approved by the Board of Directors in late 2024. Subsequently, the variable remuneration paid out in 2024 did not take this into consideration. Sustainability-related performance metrics are considered as performance benchmarks and included in remuneration policies through our OGSM strategic framework. The terms of incentive schemes are approved and updated by the Board of Directors.

Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts

Metric	Total
Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts (%)	0

Percentage of remuneration linked to climate considerations

Metric	Total
Percentage of remuneration linked to climate considerations (%)	0



Sustainability due diligence

We are committed to conducting due diligence in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, the anticipated requirements of the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the Norwegian Transparency Act.

The Sustainability statement provides an overview of risk assessments and due diligence processes for the material topic, where relevant. It includes XXL's assessment of identified adverse impacts, actions taken to address the impacts and the results. XXL will publish a statement of due diligence assessments in accordance with the Transparency Act on the XXL website.

Core elements of due diligence	Paragraphs in the sustainability statement
(a) Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none">• Strategy and business model (SBM 1-3)• Sustainability governance (GOV 1-5)
(b) Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none">• Stakeholder engagement (IRO 1)• Employee engagement survey (IRO 1, ESRS S1)• Customer engagement (IRO 1, ESRS S4)• Supplier screenings (IRO 1, ESRS S2)
(c) Identifying and assessing adverse impacts	<ul style="list-style-type: none">• Employee engagement survey and communication committees (IRO 1, ESRS S1)• Supplier screenings (IRO 1, ESRS S2)• Corruption and bribery risk assessment (ESRS G1)
(d) Taking action to address those adverse impacts	<ul style="list-style-type: none">• Supplier screenings (IRO 1, ESRS S2)• Corruption and bribery risk assessment (ESRS G1)
(e) Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none">• Employee engagement survey process (IRO 1, ESRS S1)• Supplier screenings (IRO 1, ESRS S2)



Risk management and internal controls over sustainability reporting

DISCLOSURE OF RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Overall, XXL has seen an evolution of the company's risk profile in a context of increasing sustainability expectations as well as an uncertain geopolitical and competitive landscape. The risk management and internal control structure related to the sustainability reporting process is detailed out in this section. Furthermore, our sustainability risk assessment is subject to internal control and approval from the Board of Directors and is closely linked to our overall risk assessment included review of representatives from the management team.

The group manages and controls risks, collaborating with the Audit Committee. By utilizing expert insights and analyses, the company aims to mitigate potential negative impacts on both itself and society. Recognizing the risks of inaccurate sustainability reporting and data errors, XXL continuously improves review and control processes across its operations to ensure data integrity.

The main sustainability reporting risks are incomplete reporting and insufficient data quality. This is both due to a complex organization still using some manual processes to collect and handle data and the lack of system support for data reconciliation and reporting. We have for the reporting year of 2024 developed some key internal controls such as reconciliations and internal review mechanisms. These reduce the risk of errors in the reporting of metrics and qual-



itative data. 2024 has been the first year of reporting in accordance with the ESRS and we aim to continue to improve the processes to report complete and accurate sustainability information in accordance with the standards in the coming years.

The internal control functions oversee the group's activities, aiming to maintain high quality standards while identifying and mitigating potential risks and deficiencies. The internal control functions also evaluate and assess both the process to identify the specific sustainability risks through the double materiality process and approve the outcome of these assessments. We consistently refine our internal protocols for matters related to sustainability risks, including environmental risks, value chain dilemmas and product compliance, ensuring they are in alignment with both European Commission regulations and national legislative standards. The considerations are key to ensure complete and correct information and to integrate them into the DMA process and subsequent sustainability reporting.

XXL's risk management and internal control are an integral part of all daily business activities and are integrated in the business planning processes and corporate strategy. The day-to-day risk management is placed on the business segments and governed by

the Executive Management team. The Board of Directors supervises the daily activities of risk management in the Company and carries out separate reviews of the most important risk exposures. The Audit Committee monitors on an ongoing basis the risk and control related to the financial situation including review and implementation of accounting principles and policies, the effectiveness of the Company's internal control, internal audit and risk management system related to both the financial reporting and sustainability reporting. The Audit Committee has full access to all books, record and personnel of the Group, as well as the external auditor of the Company. For further information on the reporting regarding the process for sustainability reporting to the administrative, management and supervisory bodies we refer to the previous sections of the sustainability governance.

Sustainability in XXL's strategy and business model

XXL is an omni-channel sports retailer providing products through physical stores and online websites focusing on quality brands at affordable prices. The core objective revolves around customer satisfaction and cost consciousness and thereby maxi-

mization of the Group's profitability. XXL pursues a broad customer appeal, both in the stores and online, offering a wide range of products for sports, hunting, skiing, biking, and other outdoor activities, as well as sportswear, shoes, health & fitness and sports technology products. Additionally, XXL offers a range of service offerings including workshop services for bikes, skis, skates and several other offerings to enhance both the product lifetime and customer satisfaction.

The undertaking is currently serving the Nordic markets including Norway, Sweden and Finland. Significant changes from prior reporting period includes the physical exit from Austria and digital exit from Denmark. For overview of the total number of employees, we refer to section S1-6.

The overall ambition for our time-bound targets related to sustainability matters assessed to be material is stated below. The actual targets for each topic can be found in the relevant sections.

E1: XXL is committed to minimizing the carbon and material footprint of our operations and value chain, targeting net-zero emissions by 2050.

E5: XXL will further scale and expand its circular services to be a circular leader in our industry.

S1: XXL will be a preferred employer in our industry by ensuring a safe and healthy work environment where we promote development opportunities, cultural diversity, equity and inclusiveness.

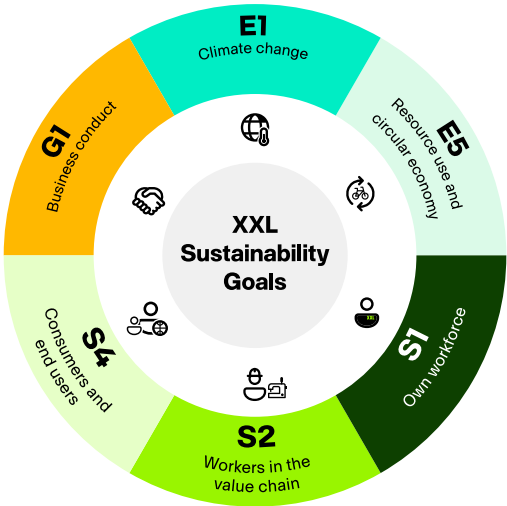
S4: We offer safe and good quality sporting goods at reasonable prices for the many and enable people of all backgrounds to enjoy sports and good health.

S2: We take action to ensure fair and safe working conditions for all workers in our value chain.

G1: XXL operates with integrity to be a trusted business partner.

The assessment of the current significant products and/or services, and significant markets and customer groups, in relation to the sustainability-related goals have been performed as part of the sustainability strategy process in 2024 and is further implemented into the organization during 2025. The goal related to circular share of business will have a large effect on the product portfolio, increasing our service share of business affecting product categories such as bikes and skis, but also textiles in mid to long-term. The changes are expected to be implemented across our markets in the Nordic countries of Norway, Sweden and Finland.

The strategic sustainability efforts during 2024 are expected to be further detailed into 2025. This includes detailing out a long-term transition plan for climate change as well as implementing pilots and new concepts for circular services. Additionally, the targets and action plans for the material topics of S2 - Workers in the Value Chain and S4 - Consumers and End Users are planned to be developed in the first half of 2025.



XXL Sustainability goals		Mid term (2030)	Long term (2050)
	Reduce greenhouse gas emissions in line with the Paris climate agreement (1.5°C in 2030 and net zero in 2050)	-42%	Net zero
	<ul style="list-style-type: none">• Increase our circular share of business• Increase circular share of our product portfolio• Zero Waste in our operations	10% 50% ~Zero	-
	<ul style="list-style-type: none">• Develop and retain talents in our organization (turnover group)• Be leading in our industry with regards to sick leave (group)• Improve diversity and Gender Balance (female share group)• No violence, harassment and work-related injuries in workplace	20% 5% >45% 0	-
	<ul style="list-style-type: none">• Targets for S2 are planned to be developed in 2025	-	-
	<ul style="list-style-type: none">• Targets for S4 are planned to be developed in 2025	-	-
	<ul style="list-style-type: none">• Compliance (Sustainability Policy)	-	-

DESCRIPTION OF THE BUSINESS MODEL AND
VALUE CHAIN

XXLs overall business model is to offer high quality sports and outdoor products from brands and private labels to consumers at affordable prices available for people of all backgrounds, supporting our “Sports unite all” mission. The operational model with large unit store formats, centralized purchasing and cost structures, highly automated supply chain, integrated value chain, ecommerce and IT systems enables a cost-efficient retail model that supports the low price point to consumers.

XXL controls all the stores without joint venture or franchise arrangements. XXL maintains central purchasing and dis-

tribution functions to manage inventory planning, allocate flow of goods to the stores and oversee the replenishment of goods to the central warehouses.

Our value chain is illustrated in Figure I. For our core business, our upstream value chain starts with the raw materials, typically cotton, iron and wood that are produced in many different geographies (tier 4). Raw materials are made into materials at different locations (tier 3). Textiles are spun and weaved, before they are sewed in factories, typically located in Southeast Asia for the XXL product portfolio. For bikes and tech products, the process is typically related to assembly of separate parts (tier 2). XXL purchases our products through either a brand or an own equipment manufacturer

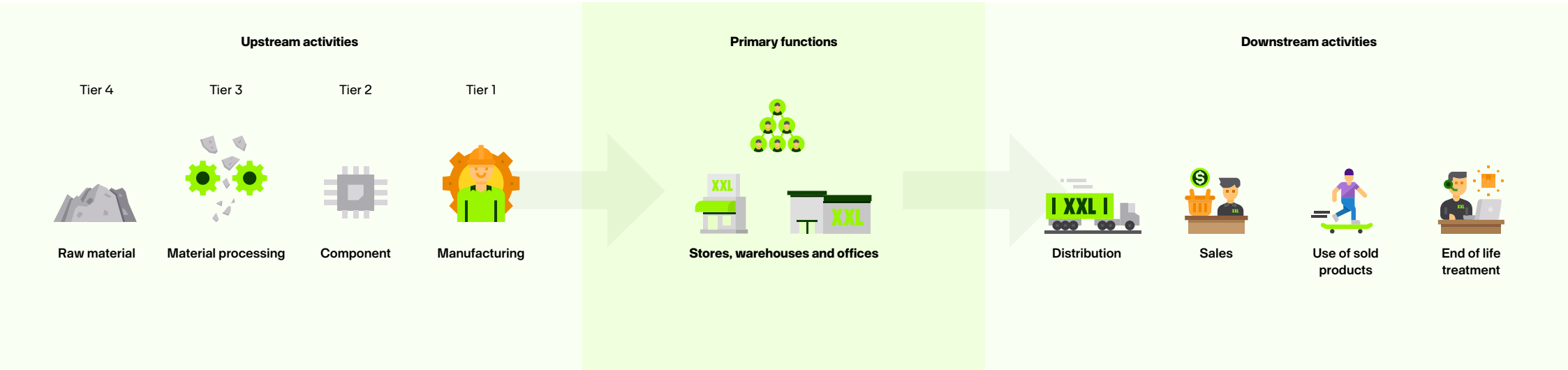
for our private label products (tier 1).

Our own operational value chain consists of receiving and stocking goods from suppliers at our central warehouses (NO and SE), automatic and manual handling of orders and transportation to stores and consumers.

Our downstream value chain is mostly related to services that aims to ensure proper follow up of our customers, e.g. customer service, customer rights and workshop services that help consumers prolong the lifetime of their products. Our downstream value chain also consists of waste handling of used products in our own operations, where we collaborate with partner renovation companies to ensure

proper recycling. The downstream value chain also consists of waste handling of products that have reached the end of their lifetime where the consumer disposes of the product through their local waste handling program or deliver in store for selected products (e.g. batteries and electrical equipment).

In addition to our core business model, our value stream also consists of goods and services that are used to enable our operations, e.g. IT software, business services and products used in our stores, warehouses and offices.



Interests and views of stakeholders

Disclosure of how the interests and views of key stakeholders are taken into account by the strategy and business model

Description of stakeholder engagement:

Our stakeholder engagement includes the abovementioned categories of stakeholders. We aim for involvement of different groups of internal and external stakeholders that both affect and are being affected by XXL operations. For our external workers in the value chain, we have included assessments of their interests, views and rights (including human rights and labour rights) into the stakeholder engagement with suppliers. Similarly, for our customers we have included their insights from the customer surveys into our material assessment. These inputs have been key to set our material sustainability topics. The stakeholder engagement related to the double materiality assessment is used as important input when amending our strategy and business model. We have also outlined stakeholder engagement related to different stakeholder groups in the topic specific chapters in the sustainability statement. This includes engagement such as customer survey, customer service, whistleblowing channel, employee surveys, internal strategy survey to mention a few. Please refer to the overview of stakeholder engagement for further information.

Stakeholder group	How engagement is organized	Purpose of engagement	Examples of outcome from the engagement	Key Concerns	Activities to adress these issues
Employees	<ul style="list-style-type: none">• Employment relations and occupational health and safety representation• Employee-elected board members• Personal development dialogues• Surveys and workplace assessments	<ul style="list-style-type: none">• Including employees perceptions and experiences• Contributing to a sustainable workplace and working life• Customer oriented feedback	<ul style="list-style-type: none">• Improvement and action plans• Strategic inputs• Communication with management• Local initiatives	Decent working conditions for employees in XXL, training and competence development, work environment, Sustainable products and brands, Quality and durability, Sustainability and traceability in the value chain.	HR management, HSE system, implement strategic goals for gender equality and reduced inequality, personal development and motivation training, Code of Conduct and guidelines for business ethics, value chain management, product assortment strategy, annual sustainability reporting.
Customers	<ul style="list-style-type: none">• Customer service dialogues• Customer surveys	<ul style="list-style-type: none">• Customer oriented feedback• Market trends• Customer behavior• Expectations• Trust and satisfaction	<ul style="list-style-type: none">• Product/service improvement• Adapt to changing customer needs• Test-pilots on sharing economy and re-use models.• Information and marketing campaign• Product safety improvements	Product quality and longevity, decent working conditions for employees in XXL, expertise and competence, work environment, responsibility and commitment towards communicated sustainability work, quality and product safety, sustainability and traceability in the value chain	HR management, customer service in stores, online and through social media, information in marketing material and product guides, product labels and descriptions in stores and online, sustainability strategy, product development, circularity, value chain management, product assortment strategy.
Suppliers	<ul style="list-style-type: none">• Supplier Due Dilligence• Workshops and industry collaborations• Human rights and on-site assessments• Direct supplier relations• Supplier surveys	<ul style="list-style-type: none">• Compliance, with our Supplier Code of Conduct• Promoting responsible sourcing• Protecting Fundamental Human Rightsand Labor Rights• Ensuring a respectful working environment• Decarbonising supply chain	<ul style="list-style-type: none">• Supplier imrovement plans• Due diligence• Logistics and transportation improvements• Product assortments and brand strategies• Supply chain improvements	Requirements, cooperation and partnerships to reach sustainability goals, marketing and visibility of sustainable products and brands, eco labelling, education of employees.	XXL requirement framework, Supplier Code of Conduct, circular business models, eco-labels in marketing, product training, transparency and traceability, material consumption and sustainable supply chain management
Investors	<ul style="list-style-type: none">• ESG ratings• Investor calls, questionnaires and e-mails• Investor updates• Roadshows• General meetings	<ul style="list-style-type: none">• Understanding expectations to sustainability• Attracting investors• Enhancing transparency	<ul style="list-style-type: none">• Improvement plans• Internal communications• Materiality priorities	Economic growth, corporate governance, business model adapted changing consumer behavior, compliance.	Cost efficiency, annual review by the Board of Directors of governance and sustainability, Sustainability strategy, circularity, attractive products and brands, risk assessment, value chain management
Board Members	<ul style="list-style-type: none">• Board meetings and regular governance work• Surveys and interviews• Committees	<ul style="list-style-type: none">• Policymaking and commitment• Adehere to business implications and financial impacts• Ensure monitoring of compliance	<ul style="list-style-type: none">• Aligning business model and strategy• Value creation and risk mitigation• Enhanced governance of financial and sustainable activities.	Economic growth, corporate governance, business model adapted changing consumer behavior, compliance, decent working conditions for employees	Cost efficiency, annual review by the Board of Directors of governance and sustainability, Sustainability strategy, circularity, attractive products and brands, risk assessment, value chain management
NGOs	<ul style="list-style-type: none">• Invites to strategic inputs• Sporadic dialogue• Partnerships• Access requests for information	<ul style="list-style-type: none">• Insights• Addressing concerns in the communities• Efforts to combat negative impacts	<ul style="list-style-type: none">• Increased attention to human rights• Focus on material choice and material consumption from products and packaging• Political influence on laws and regulations concerning sustainable activities.• Compliance on new regulations.	Decent working conditions for employees in XXL, training and competence development, work environment, freedom of organization, sustainable products and brands, quality and durability, sustainability and traceability in the value chain.	HR management, HSE system, implement strategic goals for gender equality and reduced inequality, personal development and motivation training, Code of Conduct and guidelines for business ethics, value chain management, product assortment strategy, annual sustainability reporting.
Media	<ul style="list-style-type: none">• Case-by-case of public interests• Quarterly presentation• Incidents and acute events• Consumer oriented informative cases	<ul style="list-style-type: none">• Public interests• Attract investors and talents• Communicate strategies• Information to customers	<ul style="list-style-type: none">• Positive coverage.• Transparency regarding progression on new initiatives.• Recalls and comprehensive cases.	Adverse environmental impact, work environment, economic performance, responsible marketing.	Responsible marketing and pricing practice, HR governance, communication department, quarterly result presentation and annual report.

For the double materiality assessment, we involved stakeholders in four main ways:

- Interviews with our main stakeholder groups
- Customer and employee surveys
- Information from public authorities about regulatory development
- External studies and reports

We have used the approach from previous years as a baseline for the DMA-process for the reporting year of 2024 as described in the initial phase. This approach used the comprehensive work of stakeholder interviews, as well as customer survey, laws & regulations and external assessments to identify the material impacts, risks and opportunities.

The outcome of our stakeholder engagement is used directly in our double materiality analysis process to guide our material topic selection as well as input for our target setting and actions going forward.

In addition to the abovementioned, we have for the reporting year of 2024 updated our stakeholder analysis with input from the leadership group and the board of directors as there has been significant changes in the composition of these groups. Subsequently, the Reset & Rethink strategy that has been implemented also impacts the materiality assessment. We believe that this

is an important factor to consider due to new potential impacts, risks and opportunities being material. The obtained interests and views of key stakeholders are important to understand how the sustainability matters relate to the strategy and business model. With many changes to the organization, integrating the views from the leadership group is key to address the most relevant and material issues at the current stage of the company's strategic work with the Reset & Rethink journey.

DESCRIPTION OF AMENDMENTS TO STRATEGY AND (OR) BUSINESS MODEL

The XXL company strategy, "Reset and Rethink", will be amended to further include strategic sustainability implications and our sustainability targets as a part of the strategy process in 2025. This will ensure that sustainability is fully integrated in the XXL strategy.

We expect to see several aspects of sustainability affecting XXLs overall strategy. The retail industry as a whole will be largely affected by regulatory changes and changing consumer behaviour towards low emission and circular consumption patterns. This will require product and value chain innovation, technological advancements and new business models. Climate change will pose a threat to the overall business model, as our product portfolio is highly dependent on strong seasons and stable weather condi-

tions. XXL will have to adapt to the future climate scenarios and offer new products and services to consumers. More extreme weather, higher cost of energy and limited supply of key raw materials like minerals and metals can also limit supply and increase cost of goods. Increased focus on the rights of workers in the value chain is also affecting the XXL way of working. Through an effective collaboration on our Integrity Due Diligence and engagement with suppliers, our business model is adapted to tackle significant impact on the workers in our value chain. The mentioned aspects have been carefully considered throughout our strategic process to develop targets in late 2024, involving a total of 30+ employees from across the organization. The work also included results from customer surveys and screening of the regulatory and competitive landscape. These inputs are crucial to capture the referred aspects and to implement proper mitigating measures.



Double Materiality Assessment (DMA)

The DMA is conducted in four steps:

1. Understand

- Understanding the context including business model, relationships, and value chain through engaging with relevant stakeholders to collect information on our impact on the environment and society as well as sustainability risks and opportunities

2. Identify

- Determine relevant sustainability topics
Consider factors such as activities, locations of operation, and entire value chain to define impacts, risks, and opportunities

3. Assess and Rank

- Evaluate and score impacts, risks and opportunities, including considering significance in terms of environmental and social impact, as well as financial impact
- Define the final list of impact materiality and financial materiality matters

4. Decide

- Determine threshold values
- Approval by SMT



UNDERSTAND

The first step in our materiality assessment relates to understanding the context including the business model, relationships and value chain. An important factor to get a better understanding of the context is to follow the external environment of XXL closely. We are involved in several sector specific collaborations such as Sportsbransjen and we are staying updated on the latest news coverage that targets both the company and its surroundings. We are also getting input on more general sustainability trends through news publications, as well as scientific articles. In addition to this, XXL is continuously monitoring the legal and regulatory landscape to stay up to date on the latest regulations that may impact the company. The outcome of this assessment is a clear overview of our activities, business relationships and important geographies and linkage to our impacts, risks and opportunities.

Another important aspect of understanding the context is to have a clear picture of the value chain. To do this, we have mapped out our value chain as illustrated in the model above. For all material impacts we have mapped the impacts to the value chain, specifying whether the relevant impact is connected to our own operations or as a result of business relationships in our upstream and downstream value chain.

IDENTIFY

Step two in our materiality assessment relates to collecting information from both internal and external stakeholders to identify our impacts, risks and opportunities. We have utilised our understanding of the context and the company's value chain to identify our key affected stakeholders.

ASSESS AND RANK

An assessment was done separately for actual and potential impacts, as well as actual and potential risks and opportunities. The following elements were captured with a scoring on a scale of 1 to 5.

Impact materiality

Impacts are assessed based on severity and likelihood.

- Severity
 - Scale of impact
 - Scope of impact
 - Irremediable character
- Likelihood
 - In the case of potential negative human rights impact, the severity of the impact takes precedence over likelihood.

Financial materiality

Risks and opportunities are assessed based on a combination of:

- Potential magnitude of the financial effects:
 - Financial impact
 - Reputational impact
 - Compliance impact
- Likelihood of occurrence

We have built on the stakeholder analysis from previous years and mapped our list of IROs to the different stages of

the value chain and the relevant ESRS topics (sub-topics and sub-sub-topics). Subsequently, we have used the time horizons described in ESRS 1, 77:

We have considered the connections of impacts and dependencies with risks and opportunities throughout the DMA-process linking our impacts and dependencies to our risks and opportunities for all IROs. This has been done through consideration of the description of each IRO and linked to the categories of risk or opportunities based on the nature of the impact or dependency.

We have used the descriptions for likelihood, magnitude and nature of effects as based on the EFRAG guidance. This is based on either direct financial effect, market share changes or impact on gross margin.

DECIDE

We have prioritized the sustainability-related risks as described above, using a 5-point scale to rank both magnitude and likelihood. The risks related to the DMA process are integrated into our overall risk management process and the risks identified are subject to evaluation and prioritization by the management.

We have determined that for an IRO to be material for reporting it needs to be considered as “high”. The threshold for determining IROs material for reporting is approved by the management and Board of Directors.

In 2024, the double materiality process was further refined based on EFRAG’s May 2024 guidelines. This effort was



documented in the 2023 Annual Report and involved nearly a complete re-evaluation of the process, incorporating insights from the 2022-2023 assessment. The last process modifications were made in August 2024 and will be subject for revision subsequent to reporting in 2025.

For the reporting period of 2024 we have not used any explicit assumptions for the double materiality process. Our upstream value stretches across different parts of the world, and it can be difficult to capture all the relevant aspects of each supplier or factory. We have therefore focused on important geographies in Southeast Asia and indirectly assumed that there are similar factors affecting other sites.

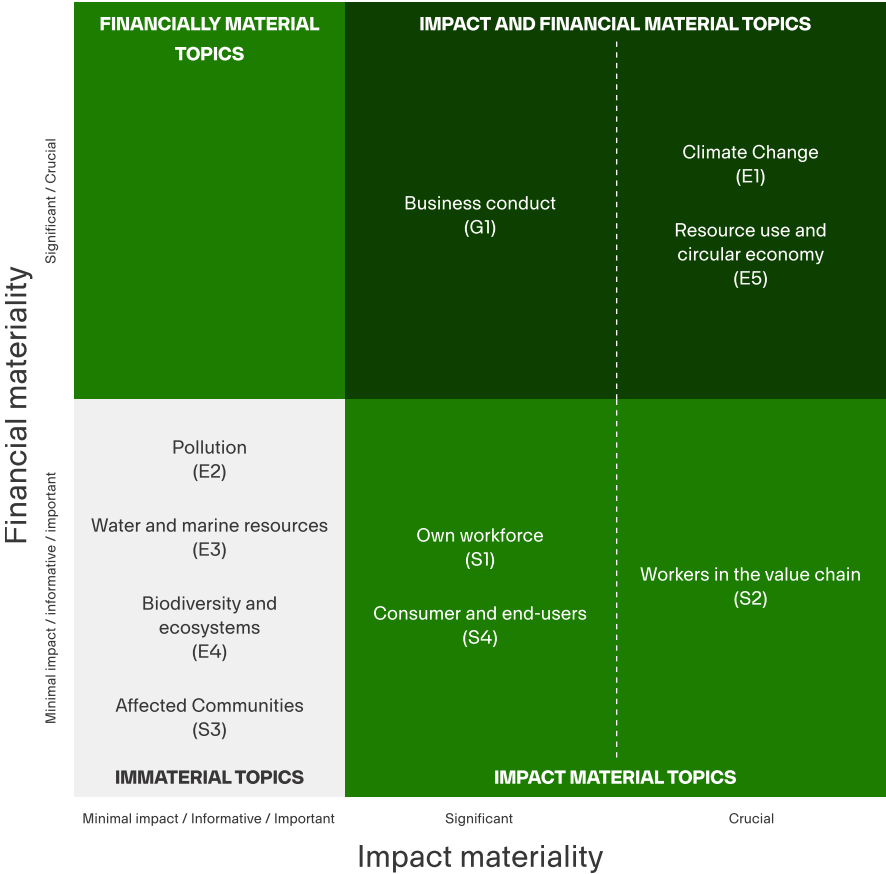
Key changes in the 2024 update included:

- **Documentation and Verification:** Emphasis was placed on ensuring the validity and transparency of the data and processes used.
- **Strategic Alignment:** With a shift in the company's strategy and changes in management and board members, an updated survey was conducted to ensure the DMA reflected the new strategic direction.
- **Expert Group Expansion:** A new team of sustainability and industry experts participated in the process to further align with CSRD compliance. This group helped refine the impact, risk and opportunity assessments, and recalibrate thresholds and scoring systems to meet both regulatory requirements and company ambitions.
- The list of impacts, risks and opportunities have been revised and updated to adhere to the requirements in the ESRS, but there have not been any significant changes to the material IROs since last year.

DISCLOSURE OF PROCESS TO IDENTIFY IMPACTS, RISKS AND OPPORTUNITIES AND TO ASSESS WHICH ONES ARE MATERIAL

In order to respond to the disclosure regarding screening of site locations and business activities for the respective areas of E1, E2, E3, E4, E5 and G1, an important aspect to emphasize is that XXL does not have operational control over any sites or factories in the value chain. XXL does not own any of the stores in the countries of operation, nor the central warehouses in Norway and Sweden which are located in Gardermoen and Örebro respectively. These are classified as “Right-of-Use” (ROU) assets in the consolidated financial statements of XXL and are located across the Nordic countries. Additionally, for locations in our upstream value chain we conduct factory audit through our third-party provider as well as site visits performed by our own employees. In 2024 XXL representatives visited site locations in China which is considered a key geography in our upstream value chain.

Throughout the stakeholder dialogue we have engaged with suppliers in our value chain and discussed the potential impacts, risks and opportunities related to climate change, pollution, water and marine resources and biodiversity and ecosystems, resource use and circular economy and business conduct. We also perform factory audits for our Original Equipment Manufacturers (OEM) consulting with representatives on site. Additionally, we have conducted a large customer survey receiving input from stakeholders in near proximity to our retail stores, thus representing the relevant affected communities from our own operations. The results show that ESRS topics E2, E3, E4 and S3 are not



deemed material. We will continue to engage with our stakeholders and affected communities from our operations and across our value chain to identify IROs for the mentioned areas also in the future.

CLIMATE-RELATED IMPACT, RISK AND OPPORTUNITIES

The company employs a framework for identifying climate-related risks and opportunities. The stakeholder engagement is the foundation for our identification of impacts on climate change, especially considering GHG emissions. The senior management team, under the Board's supervision, ensures effective risk management, utilizing tools for environmental requirement frameworks, risk assessment, carbon accounting, and supply chain management. Together with our service provider for climate accounting, we review our biggest impact areas which is utilized as input into our overall assessment. As mentioned, our own sites are for the most part located in the Nordics, implying that the risk of climate-related hazards is limited, but still affected by hazards such as floods. XXL acknowledges that due to a large number of suppliers, and therefore a large number of sites included in the XXL upstream value chain, there is a risk of exposure to climate-related hazards such as extreme heat, drought and wildfires. This is especially relevant for our assets exposed to climate-related hazards in the longer term as this will increase the risk over time. Transition events have also been part events have also been part of our assessment, which have been considered through review of upcoming legislation for our activities and sites across both our own operations and in our upstream and downstream value chain. This includes assessments of suppliers that do not meet the relevant criteria of being compatible with a transition to a climate neutral economy.



XXL has assessed the transition risks and opportunities through our strategic sustainability work performed in relation to the targets setting process. This process included representatives across the organization how different aspects will affect XXL in the transition towards a low carbon society. The assessments also included a comprehensive work on mapping the future regulatory framework, the competitive landscape and how this affects our internal organization and capabilities. The assessments have also been informed by an external climate strategy advisor aligning with recognized frameworks such as Science Based Targets and the GHG Protocol. These frameworks also build on the IPCC reports and the net zero goals within 2025 set forth in the Paris Agreement. The assessments have used separate scenarios with different temperature increases including deep dives into climate scenarios in line with limiting global warming to one and half degrees Celsius with no or limited overshoot as well as a two-degree pathway. We have not used emission scenarios higher than the two-degree pathway. When considering these scenarios, we have used our analysis on future regulatory framework and macro-economic trends as forces to reach the emission goals of each scenario. Additionally, we have used representatives from different parts of the organization to map out how our current technological functionality is compatible with these scenarios. Finally, the assessments have constraints with regards to the variety of the XXL value chain and the locations of our suppliers ranging across large parts of the world.

The assessments of climate related risks in different scenarios are compatible with critical climate-related assumptions made in financial statements and its notes. XXL has utilized the work performed to inform the impairment assessment of our assets.

BIODIVERSITY AND ECOSYSTEMS, POLLUTION, WATER AND MARINE RELATED IMPACT, RISK AND OPPORTUNITIES

The process to identify IROs related to E2 Pollution, E3 Water and Marine Resources, and E4 Biodiversity and Ecosystems followed the general double materiality approach described above. XXL has not conducted any topic-specific consultations beyond those described in the general approach. ROU assets are not considered to be located in or near biodiversity-sensitive areas. These areas are highly populated areas where the surroundings are already urban areas, implying that the risk of degradation of nature and biodiversity is limited. The retail stores are often located inside shopping centres or larger structural buildings where the effect on nature is minimal. We have used trustworthy sources to assess our store locations such as Naturbase (from Miljødirektoratet) and WWF risk filters. We see that there are a very limited number of sites that are located in such areas. As mentioned, for locations in our upstream value chain we conduct factory audits and site visits in important geographies. We have not conducted any biodiversity and ecosystems scenario analysis to inform identification and assessment of material risks and opportunities due to the undertaking not having sites located in or near biodiversity-sensitive areas with material impact. Still, XXL acknowledges that due to a large number of suppliers, and therefore a large number of sites included in the XXL value chain, there is a risk of potential impacts on biodiversity and ecosystems. Based on our current assessments the risk has been assessed as moderate. Hence, it has not been concluded that it is necessary to implement biodiversity mitigation measures at the current moment. Additionally, ac-

tivities related to sites located in or near biodiversity-sensitive areas does not negatively affect these areas by leading to deterioration of natural habitats and habitats of species and to disturbance of species for which protected area has been designated.

In order to obtain the products sold in XXL retail stores we are dependent on different types of materials such as textiles, iron & metals, aluminium, plastics, electrical equipment, rubber etc. These have been identified through calculations of the purchased goods and services in XXL purchase department. We recognize that materials such as textiles will depend on specific fabrics such as cotton which can affect biodiversity and ecosystems. The percentage of cotton fabrics is still a limited amount of the total products sold at XXL, but we will continue to monitor the dependency of these materials, also considering risk factors such as transition, physical and systemic risks related to biodiversity and ecosystems identified and assessed through our DMA-process and screening of site activities. The assessment also includes ecosystem services that are disrupted or likely to be disrupted.



**RESOURCE USE AND CIRCULAR ECONOMY RELATED
IMPACT, RISK AND OPPORTUNITIES**

Throughout the XXL operations we are dependent on the abovementioned materials. These are key resources both in our resource inflows, resource outflows and waste streams. Especially important materials are textiles and metals products, but due to a large variety in the XXL product base, we are dependent on a range of different materials as mentioned earlier. The negative impacts and risks are concentrated in the extraction of raw materials and resource flow through the different business units in XXL. For resource inflows the central warehouses in Norway and Sweden are especially important due to handling of products and waste. For our resource outflows, store locations are important due to the distribution of products to the customers and handling of waste related to both products and operations. XXL has considered impacts and risks of staying in business as usual, elaborated in SBM-3. We have also considered impacts, risks and opportunities that may arise by switching to a more circular business model.

**BUSINESS CONDUCT RELATED IMPACT, RISK AND
OPPORTUNITIES**

For the process to identify impacts, risks and opportunities and to assess which ones are material for the area of business conduct, we refer to the general considerations for screening of sites and activities above. As we operate in the retail sector in the Nordics, we have the key concern of important stakeholders related to this specific sector and area of operation. Our upstream value chain consists of key geographies in Southeast Asia that are particularly relevant when considering risk of corruption and unethical

business transactions. The nature of such risk can be more prevalent in countries where the overall social structures are characterized by mistrust and instability. These factors have therefore been crucial in the process of evaluating the material impacts, risks and opportunities.

Material impacts, risks and opportunities and their interaction with strategy and business model

**DISCLOSURES OF MATERIAL IMPACTS, RISKS AND
OPPORTUNITIES AND HOW THEY INTERACT WITH
STRATEGY AND BUSINESS MODEL**

The material impacts, risks and opportunities are reflected in the outcome of our Double Materiality assessment and our material topics. These are presented in the table above. The anticipated effects of material impacts, risks and opportunity varies across the different IROs and is described in more detail in the IRO overview. XXL handles these effects differentiated based on their severity and likelihood and is integrated into our work with targets and action plans.

XXL is one of the largest sports retailers in the Nordics, and our operations can have a negative impact on people and the environment. Our main negative impacts on the environment are CO2 emissions and material usage in production of sporting goods and is closely connected to the products we sell in our stores. The effects of these impacts are already visible in the short term and will increase in the mid to long-term. Due to our business model as a retailer, we are dependent on our suppliers. Subsequently, most of our



impacts arise as a result of our business relationships in our value chain.

For people, our main impact is on our employees, customers and workers in our extended value chain. Negative impacts are related to potential breaches in both our own workforce, workers in the XXL value chain and towards our customers. This could be cases of harassment, detection of unfair labour conditions across our value chain and misleading information and marketing practices. The potential effects of these impacts can occur both in the short term, as well as mid to long-term. Our main positive impacts relate to making sports and outdoor available to people and also contributing to the improvement of public health. Additionally, our current work with culture reset will improve the conditions for our own employees, also affecting how we interact with both suppliers and customers.

Material impacts are mostly linked to our core business activities as a sports retailer; the purchase of goods and services from suppliers. This relates to several impacts such as GHG emissions, resource inflows and health and safety of workers in the value chain. There are no material risks and opportunities for which there is significant risk of material adjustment within next annual reporting period, but XXL has assessed several sustainability topics to be at a medium level of materiality during the double materiality assessment. We will continue to monitor these topics also in the coming annual reporting periods.



The overall risk management process in XXL is an important part of developing our current strategy and business model to be able to mitigate the relevant risk areas. Risk Management in XXL has identified five risk areas; financial risk, market risk, operational risk, management risk, and IT risk. The mitigation of risk is based on an approach based on whether it is safeguarding measure of a preventive or detective nature. The company evaluates risk based on three categories: Financial Impact on EBITDA, probability and severity of the respective risks. The risk approach is integrated into our process to identify impacts, risks and opportunities in the double materiality assessment and our identified impacts, risks and opportunities through our DMA is included in our overall company risk assessment. The material sustainability matters are reported on in accordance with the applicable legislation and addressed in the overall sustainability strategy, targets and action plans. This is also integrated into the overall company strategy to ensure proper follow up across the organization.

XXL is continuously evaluating the company's resilience and capacity to address material impacts and this has been an integral part of the strategic sustainability work performed during 2024. This includes analysis of the company's surroundings,

competitors, customer preferences, legal environment and strategic capabilities. The work has included representatives from the entire organization to ensure a well-diversified picture of the competitive situation of the company. As mentioned, we also perform a risk review including an assessment of financial effects and mitigating actions to ensure that our strategy and business model prepared for upcoming risk factors that can affect the company's ability to continue its operations. The outcome of our assessments shows that our business model is affected by several risks, with the material topics of E1, E5, S1, S2, S4 and G1 being the most prominent.

As a sports retailer, we acknowledge that our business model is dependent on the sale of physical products, implying consumption of resources and significant emissions along our value chain. This also affects people both in our upstream value chain, in our own operations and lastly our customers. We have mitigating measures to reduce the risk of negative impacts relating to data privacy occurring for our customers through the data regulations. We also have mitigating actions in place to enable a clear communication strategy on our material sustainability topics to reduce the risks of greenwashing and unethical marketing practices. For our workers in the value

chain, we have implemented measures such as the Integrity Due Diligence survey and site audits to mitigate the risks of breaches of human rights or other regulations applicable. We also closely monitor the upcoming regulations to reduce the risk of negative public perception due to non-conformity with international workers' rights. Moreover, we have several mitigating measures in place to handle the risks related to our business conduct. To reduce the risks of non-compliance with international regulations we have implemented our XXL Code of Conduct and XXL Supplier Code of Conduct. These actions can also reduce the risks of negative public perception. Additionally, we have a whistleblowing channel in place to reduce the risks of negative impact on people across our value chain. For the risk of absence due to sickness or injuries we have implemented mitigating measures such as the culture reset and store operating model to improve the working conditions for our employees. We also have measures such as employee learning through our XXL Academy platform to improve our talent development which can also reduce the risk of employee turnover. Finally, we have implemented measures to reduce the risks of resource scarcity through minimizing packaging. Circular business models, evident through our workshop services, also mitigate the risk of resource use. This can also contribute to reducing the risk of the public perception of XXL an unsustainable company. Based on the abovementioned factors, we therefore assess that the company has a resilient business model and can handle the material impacts, risks and opportunities addressed. The time horizons applied for the analysis of the company's resilience are short-term, medium-term, long-term.

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

See the table "list of data points that derive from other EU legislations" for an overview of all the data points that derive from other EU legislation as listed in ESRS 2 Appendix B. The table indicates where each datapoint can be found in the sustainability statement, if material.



I. Environmental information

ESRS E1 Climate change

WHY IT MATTERS

XXL acknowledges that our business model contributes to climate change through emissions in our own operations and across the value chain, and that we have a responsibility to minimize our negative impact through climate mitigation efforts. Our business, closely linked to the natural environment through its promotion and enabling of outdoor sports and recreational activities, is dependent on the preservation and resilience of these ecosystems. Physical climate risks within our markets, such as shorter winter seasons and increased weather volatility pose significant operational and strategic challenges in our home markets. Actual and potential impacts on our value chain due to climate change can affect profitability, and access of raw materials and components critical to our ability to deliver products and meet our customers' needs and expectations.

Index

(OO) Own Operations
(UVC) Upstream Value Chain
(DVC) Downstream Value Chain

Short-term 0-1 year
Medium-term 1-5 years
Long-term >5 years

Please see our topical sections for more information on impacts, risks and opportunities.

E1
Climate Change

Type of impact and where they occur	Material impact, risk or opportunities	Description	Time horizon	IRO
Impact:				
Negative impact: (OO)	Emissions from own operations	Emissions from own operations represent a negative impact that contribute to climate change.	Long-term	E1.1
Negative impact: (UVC)	Emissions from purchased goods and services	Emissions from purchased goods and services represent a negative impact that contribute to climate change.	Long-term	E1.2
Risk:				
Transition risks (OO)	Financial risk from political and regulatory development	Changes in the political and regulatory landscape can lead to risks to existing business models and profitability if the company does not succeed in adapting in time. This can be in terms of fines or other disciplinary actions.	Medium-term	E1.3
Physical climate risks (OO)	Acute Climate risks	Acute physical risks may have financial implications such as direct damage to assets in our home markets where floods and extreme weather conditions may occur	Medium-term	E1.4
Physical climate risks (UVC, DVC)	Chronic Climate risks	Chronic physical risks such as rising sea levels, rising average temperatures, and ocean acidification may affect XXL's supply chain over time. Access of raw materials, uncertain deliveries and disruptions can lead to a more volatile market.	Long-term	E1.5
Energy usage (OO)	Energy usage	Energy usage could have impact on the company's financials due to increase in energy prices or increased cost due to increased energy usage	Medium-term	E1.6
Opportunities:				
Innovation (OO)	Products and circular business models	Evolving consumer trends and behaviors are unveiling new opportunities in terms of increased profitability due to products with a low carbon footprint, circular business models and other low carbon technologies.	Medium-term	E1.7
Access to green financing (OO)	Taxonomy aligned activities	Significant contribution to circular economy, no significant harm to climate change mitigation, climate change adaption or any of the other environmental objectives can give access to green financing.	Medium-term	E1.8

E1-1 – Transition plan for climate change mitigation

DISCLOSURE OF TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

XXL does not have a complete transition plan in place for the 2024 CSRD reporting. XXL has performed a comprehensive process to establish targets and action plans for climate change mitigation during the fall of 2024 and will integrate this into our transition plan, planned to be developed in 2025.

E1-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

CLIMATE RISK

Climate changes represents both physical hazards and socioeconomic impacts. Science finds that rising average temperatures are associated with the frequency of floods and heat waves and intensification of drought and increased sea levels. At the same time climate changes have a potential impact on people's liveability and workability in our value chain, but also affecting our own employees and customers, and represent a risk of damage to physical assets and infrastructure and destroy ocean and terrestrial ecosystems. When assessing XXL exposure to physical climate risks and transition risks we have considered both short-term, medium-term and long-term effects in line with

the definitions used in the DMA. The assessments are also included in impairment evaluations of assets as stated in our financial statements.

PHYSICAL CLIMATE RISK

Acute climate risk

Acute physical risks may have financial implications such as direct damage to assets in our home markets where floods and extreme weather conditions may occur. However, the likelihood of such damage could represent a high risk for the group's ability to operate is low. A changing climate, and greater frequency and severity of hazards may increase disruptions in our supply chain that interrupt production, raise costs, hurt corporate revenues, and lead to higher prices or shortages for our consumers. Raw material producers of amongst other cotton are vulnerable for climate change and an important resource inflow for our business.

Chronic physical risks

Chronic physical risks such as rising sea levels, rising average temperatures, ocean acidification and extended periods of increased temperatures may lead to the further development of chronic climate events, such as desertification. Similarly, extended periods of increased average temperatures might affect the ecosystem, agriculture in particular. Raw material producers such as cotton farmers are vulnerable for climate change. As climate change makes extreme weather more frequent and/or severe, it increases the annual probability of events that are more intense and supply chain disruptions can become more common affecting our access to important raw materials. In our home market, climate change affects several prerequisites as



winters are shorter and milder on average affecting market conditions for several product groups. Over time, chronic effects of climate change and more extreme weather may affect XXL's supply chain. Supply chains and deliveries may become more uncertain. Disruptions because of climate change can also lead to a more volatile market.

TRANSITION RISKS IN RELATION TO CLIMATE CHANGE

Retail is not in itself a very CO₂ - intensive industry. However, significant emissions in the value chain related to production and transport of our purchased goods can be affected through regulations in many different ways. Pledges under the Paris Agreement and the action plan provided by the European Green Deal will constitute both direct and indirect consequences for our activities. EU and domestic political and regulatory development will continue to drive major carbon pricing developments representing financial risks on a medium time horizon if we do not succeed with decarbonization of our direct and indirect emissions. Liability risk could increase, with potential large financial consequences, if the policy framework on climate is not strong. Producer Responsibility schemes can make severe impact to our business model if we fail to adapt to requirements of material consumption and less carbon intensive materials and production methods. Technological development and deployment can represent a risk if we do not continuously adapt to new technologies such as electrification of transport and renewable energy. Traceability in the value chain is a technological opportunity that can provide customers with valuable insight and contribute to lower emission requirements throughout the value chain. Transparency could be a competitive advantage over those customers

who want to make better climate choices. The retail industry is sensitive to changing consumer trends. The changes can come quickly when they first occur, for example because of changes in attitudes among consumers to a product or sector's climate footprint. The consumer response could be different for various product groups. For textile products, water consumption related to cotton production is an important issue. For hardware and other capital goods, short life of the products, small degree of reuse, quality and reparability can be an issue that is gaining more weight.

INFORMATION ABOUT RESILIENCE OF STRATEGY AND BUSINESS MODEL REGARDING CAPACITY TO ADDRESS MATERIAL IMPACTS AND RISKS AND TO TAKE ADVANTAGE OF MATERIAL OPPORTUNITIES

To assess the resilience of our current business model towards environmental impacts and risks, we have performed a comprehensive work including contributors from across the organization. This has enabled us to capture strengths and weaknesses in our current business model that will be affected by the effects of climate change in the coming years. The scope includes both XXL's own operations, as well as upstream value chain including effects on raw materials and downstream value chain including customer preferences being affected by climate change. None of the material impacts, risks and opportunities have been excluded from this analysis. XXL has put in place supply chain management tools with our supplier Cemasis, risk assessment, processes and governance procedures to assess climate risk in our product category and supply chain management. Strong operational control and an active dialogue with our suppliers and producers is a necessity to assess



the magnitude of the impact climate change represents to our business in order to mitigate the negative impact on climate. In general, sport equipment suppliers have a high consciousness regarding the negative effect of climate change and works to reduce their own adverse impact.

Extended use of recycled materials will contribute to reduce risks of parts of the acute and chronic events that may lead to disruptions of supply chain. Raw material producers exposed to adverse impact from climate change, both acute and chronic, represent a risk factor as disruptions may become more common. At the same time, it is important to recognize the fact that use of natural derived materials is important to reduce the consumption of oil-based materials.

Changing and unstable climate conditions in our home markets requires higher strategic agility to adapt various conditions and changing consumer needs due to seasonal changes. The group has implemented several measures to improve the ability to adapt product portfolio and exposure in stores, e-commerce channels and marketing campaigns, is increasingly important to maintain traffic to the store and increase market shares.

DISCLOSURE OF HOW AND WHEN RESILIENCE ANALYSIS HAS BEEN CONDUCTED

XXL is continuously evaluating the company's resilience against climate change and this has been an integral part of the strategic sustainability work performed during 2024. This includes analysis of the company's surroundings, competitors, customer preferences, legal environment and strategic capabilities. The work has included representa-



tives from the entire organization to ensure a well-diversified picture of the competitive situation of the company. As mentioned, the work has included separate scenarios with different temperature increases including deep dives into climate scenarios in line with limiting global warming to one and half degrees Celsius with no or limited overshoot as well as a two-degree pathway. We also perform a risk review including an assessment of mitigating actions to ensure that our strategy and business model is resilient and able to handle the impacts, risks and opportunities addressed in the short-term, medium-term, long-term, similarly to the double materiality assessment.

XXL has assessed several risks based on the resilience analysis performed. This includes both physical (acute and chronic) and transition risks as described above. In addition to the results from the risks described above, XXL has analysed the strategy and business model in relation to the surrounding environment and competitive landscape. The results from the analysis are used in our assessment of targets and action plans and subsequent work to handle climate change in the coming years.

XXL integrates climate change mitigation into our corporate governance principles, demonstrating a commitment to respon-

sible environmental stewardship. The Board of Directors plays an important role, overseeing management, activities, and climate-related risks, ensuring adherence to internal control systems that reflect the company's corporate values, ethical and social responsibility guidelines. These governance practices are articulated in the Governance section of this report, providing transparency and accountability.

The XXL sustainability strategy is integrated into business planning processes and corporate strategies, ensuring that climate considerations are integral to decision-making and risk management, and aims to align with the ambition of limiting global warming in accordance with the Paris Agreement, and at the same time ensure economic growth and profitability. This includes shifting products and services towards more circular solutions in line with targets set forth in our strategic sustainability work performed during 2024. An important aspect to achieve this is also to ensure the appropriate skills of our employees which is secured through our learning platform and ensuring focus through our OGSM framework.

The company employs a framework for identifying and managing climate-related risks and opportunities, incorporating them into daily operations across business

segments. The senior management team, under the Board's supervision, ensures effective risk management, utilizing tools for environmental requirement frameworks, risk assessment, carbon accounting, and supply chain management. These efforts demonstrate XXL's proactive approach to mitigating climate impacts and adapting to the direct and indirect consequences, safeguarding the company's reputation and financial performance while seizing competitive advantages.

EI-2 – Policies related to climate change mitigation and adaptation

MINIMUM DISCLOSURE REQUIREMENTS FOR POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (ESRS 2 MDR-P)

XXL does not have a policy addressing climate change specifically, thus covering the material IROs of Climate change adaptation, Climate change mitigation, energy efficiency, renewable energy deployment. The group has during the fall of 2024 developed an overall sustainability policy to include all material topics and performed a comprehensive work on targets and action plans for several material topics. Based on our prioritization, a more detailed policy framework for E1 Climate Change was decided to be developed in 2025 after the targets and action plans have been finalized. To ensure a proper and complete policy framework XXL decided to complete the implementation and anchoring of our efforts with the Board of Directors and across the organization before completing policy framework for E1 Climate Change.

EI-3 – Actions and Resources in Relation to Climate Change Policies

XXL has not yet detailed out the actions related to E1 Climate Change but has set a clear target for climate change mitigation and the related actions are planned to be further detailed and operationalized in 2025. Details on actions and resources related to the targets will therefore be disclosed in the 2025 annual report.

EI-4 – Targets related to climate change mitigation and adaptation

As part of our work with targets during 2024 we have set our overall target to reach net zero within 2050 in line with the 1.5-degree target in the Paris Agreement. This includes reducing our emissions from scope 1, 2 and 3 within the market-based approach with 42% within 2030 from the baseline year of 2021. The respective splits for scope 1, 2 and 3 are 84%, 42% and 42%. The baseline year is calculated using the same system and procedures, as well as categories included as the subsequent year, underlining the representative values for measuring our progress. The targets are set using the methodology from Science Based Targets initiative (SBTi) and in close collaboration with our external consultancy for climate accounting but are not verified. The targets are set in accordance with the net zero targets set in the Paris Agreement. The 1.5°C aligned reference target value for Scope 1 and 2 is 7 258 tCO₂e for 2024. The reference target is set using our climate accounting system provider. The actual emissions for scope 1 and



2 are 12 107 tCO2e for 2024. The overall reference target for 2024 is set at 287 450 tCO2e compared to the actual emissions of 166 830 tCO2e. To follow up on our progress, we perform detailed insights reviews with our advisor for climate accounting and discuss mitigating actions with the senior management team. XXL's commitment extending to setting these quantifiable targets for climate change mitigation and adaptation, reflecting a strategic alignment with broader environmental objectives. The targets developed are aligned with XXL's financial performance metrics, underpinning our dedication to environmental responsibility and aligning with global efforts to combat climate change without compromising profitability.

Reduce total CO2 emissions

The relevant IROs covered by our target are emissions from our own operations and in the value chain, including upstream and downstream value chain. Our target is also stated in our overall XXL Sustainability Policy and is to achieve net-zero emissions by 2050. The milestones are 193 744 tCO2eq by 2030 and 0 tCO2eq by 2050. The

Summary

Target name	MDR-T Baseline value (decimal)	MDR-T Baseline year (decimal)	Milestone 1	End target
Reduce total CO2 emissions	334302	2021	193744.28 (2030)	0 (2050)

baseline year from which progress is measured is 2021 with a corresponding baseline value of 334 302 tCO2eq. We have calculated our GHG emissions in the baseline year of 2021 with review from an external consultancy firm to ensure completeness and accuracy of our data. Additionally, the target is set based on the Science Based Targets Initiative and is in accordance with the net zero targets set in the Paris Agreement. Participants from the entire organization (30+ total) has been involved in the target setting process across all material sustainability topics. Finally, the targets have been approved by the Senior Management Team and the Board of Directors.

Through our structured target setting work we performed workshops including input from our external consultants at Normative. We considered emissions reduction pathways for different temperature increases, as well as a comprehensive analytical work to determine relevant environmental, societal, technology and market and policy-related developments. We also considered the different categories in the GHG inventory and utilized a bottom-up approach to ensure that our target is within reach.



E1-5 – Energy consumption and mix

Energy consumption and mix	2024
(1) Fuel consumption from coal and coal products (MWh)	8781
(2) Fuel consumption from crude and petroleum products (MWh)	784
(3) Fuel consumption from natural gas (MWh)	5993
(4) Fuel consumption from other fossil sources (MWh)	2798
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	0
(6) Total fossil energy consumption (MWh) (calculated as the sums of lines 1 to 5)	18356
Share of fossil sources in total energy consumption (%)	50.21
(7) Consumption from nuclear sources (MWh)	6073
Share of consumption from nuclear sources in total energy consumption (%)	16.61
(8) Fuel consumption for renewable resources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	11
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable recourses (MWh)	11421
(10) The consumption of self-generated non-fuel renewable energy (MWh)	698
(11) Total renewable energy consumption (MWh) (calculated as the sums of lines 8 to 10)	12130
Share of renewable sources in total energy consumption (%)	33.18
Total energy consumption (MWh) (calculated as the sums of lines 6, 7 and 11)	36559

Energy production	
Metric	Total
Non-renewable energy production (MWh)	0
Metric	Total
Renewable energy production (MWh)	1691
Metric	Total
Energy intensity (MWh/MNOK)	5.09

The high climate impact sectors used to determine energy intensity is Section G – Wholesale and retail trade: repair of motor vehicles and motorcycles. The net revenue from high climate impact sectors used to calculate energy intensity is consistent with the Total Operating Revenue in the Financial Statements.

EI-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

	Retrospective				Milestones and target years		
	2021 (base year)	2023	2024	% 2024/2023	2030	2050	Annual% target / Base year
Gross Scope 1 GHG emissions (tCO ₂ eq)	358		54.14		57.28	0	
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)							
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	1282		687.6				
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	8140		12053		4721	0	
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	325804		154723.19		188966	0	
1 Purchased goods and services			144699				
2 Capital goods			642.1				
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)			667.8				
4 Upstream transportation and distribution			2011.4				
5 Waste generated in operations			25.79				
6 Business traveling			452				
7 Employee commuting			5955.5				
8 Upstream leased assets							
9 Downstream transportation							
10 Processing of sold products							
11 Use of sold products			113.7				
12 End-of-life treatment of sold products			155.4				
13 Downstream leased assets							
14 Franchises							
15 Investments							
Total GHG emissions (location-based) (tCO ₂ eq)	327444		155464.93				
Total GHG emissions (market-based) (tCO ₂ eq)	334302		166830.33		193744.28	0	-3.45%

DESCRIPTION OF CHANGES FROM BASE YEAR 2021

We see an overall decrease in emissions compared to our base year in 2021 from 334 302 tCO₂e to 166 830 tCO₂e in 2024. The main driver for this is reduced emissions from the category purchased goods and services due to lower sales during the period, implying reductions in scope 3 emissions is the overall reason for the reduction from 325 804 tCO₂e to 154 723 tCO₂e. We have also reduced our scope 1 emissions from 358 tCO₂e to 54 tCO₂e mainly due to closing our operations in Austria using stationary combustion, as well as reducing the number of company cars running on fossil fuels. We see an increase in our scope 2 emissions from 8 140 tCO₂e to 12 053 tCO₂e mainly due to an increased share of non-renewables in the residual mix (actual energy usage has decreased).

Percentage of Gross Scope 3 GHG emissions calculated using primary data

Metric	Total
Percentage of Gross Scope 3 GHG emissions calculated using primary data (%)	1.7

REPORTING PRINCIPLES

There have been no significant changes in definition of what constitutes reporting undertaking and its value chain and explanation of their effect on year-to-year comparability of reported GHG emissions. XXL diligently reports both direct and indirect greenhouse gas (GHG) emissions within its consolidated operations, breaking down these emissions by business entities and per scope This reporting adheres to the guidelines established by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

opment (WBCSD) GHG Protocol, adapting the operational control principle to ensure accuracy and consistency. The emission calculation is prepared on within the organizational boundaries of XXL and subsidiary entities under the operational control approach. Minority ownership is not included. In terms of direct GHG emissions (Scope 1), XXL calculates these based on specific operational activities and the consumption of fossil fuels within its operations. These activities are mainly concentrated to the phased-out activities of stationary combustion boilers in the Norwegian and Austrian Central Warehouses, and mobile combustion derived from company cars. The calculation methods and emission factors are aligned with the Scope 1 definition under the GHG Protocol, converting all emissions data into carbon dioxide equivalents (CO₂e) for standardized reporting.

For indirect GHG emissions (Scope 2), XXL assesses emissions arising from our electricity consumption. This includes GHG emissions associated with purchased electricity and, XXL's consumption of solar power produced on some of our locations. Adhering to Scope 2 of the GHG Protocol, XXL employs the location-based method following the revised Scope 2 Guidance, which utilizes emission factors from authoritative sources like the International Energy Agency (IEA). The method reflects the specific energy context of XXL's operations, especially in locations with distinct electricity grid mixes. Consistent with our commitment to transparency and traceability, XXL reports our indirect emissions following both location-based approach and market-based method.

XXL's indirect (Scope 3) GHG emissions are reported for emissions related to purchased goods and services, upstream transportation and distribution, capital goods, fuel and energy related activities Business travel, Employee Commuting, Waste generated in operations, Use of Sold products and End of life treatment of sold products. Purchased goods and services, capital goods, employee commuting, use of sold products, end-of-life treatment of sold products and business travel expenses are calculated by spend based assessment and internal employee data. These are based on the actual spend in 2024 and utilized emissions factor to report our emission during the year. We have used the activity-based data inputs for Fuel- and energy related activities and upstream transportation and distribution. For these categories we have received input from the suppliers to use in our calculations. We have mapped out our business activities across our value chain and used the output to assess each GHG emission category. All 15 scope 3 categories are assessed, but only the nine categories are assessed material. As per our financial statement, we do not have any upstream or downstream leased assets, or investments material for reporting. XXL does not have any processing of sold products or franchises across the group. Finally, we do not have any downstream transportation. The reporting boundaries for the scope 3 emissions are in line with the consolidated group, meaning the parent and its subsidiaries, and relevant emissions from our upstream and downstream value chain and is reported in line with the GHG Protocol. The metrics have not been subject to validation from an external body but has been reported in close collaboration with our supplier and advisor for the climate accounting.



Metric	Total
GHG emissions intensity, location-based (tCO2eq/MNOK)	21.64

Metric	Total
GHG emissions intensity, market-based (tCO2eq/MNOK)	23.23

XXL uses standard purchase agreements for the purchase of electricity used in our operations. We currently do not have any other contractual agreements such as Guarantees of Origins. During 2024 we have not purchased electricity bundled with instruments such as Guarantee of Origins or Renewable Energy Certificates. XXL does not have biogenic emissions or bundled/unbundled attributes.



Metric	Total
Total GHG emissions (location-based) per employee (tCO2eq/head count)	36.84

Metric	Total
Total GHG emissions (market-based) per employee (tCO2eq/head count)	39.53

VALUE CHAIN ESTIMATION

Purchased goods and services, capital goods and Business travel expenses are calculated by spend based assessment when calculating our scope 3 emissions in our climate accounting. XXL's upstream Scope 3 emissions are dominated by emissions from purchased goods and services, mail from production and transportation of products provided from external suppliers. There is uncertainty related to the Scope 3 emission calculations but is considered the best estimate at the current state. We aim to improve our emission data by gathering actual emission data from our suppliers.

SOURCES OF ESTIMATION AND OUT-COME UNCERTAINTY

Electricity (landlord managed retail facilities)

Where actual data is not available, electricity usage is estimated for landlord-managed retail facilities in Norway, Sweden and Finland. Square footage of is used, leveraging actual FY 2024 square footage data, along

with electricity intensity (kWh per square meter of known FY 2024 XXL electricity usage in retail facilities). Electricity usage for the following retail units were estimated for FY 2024: Norway: 302 - Stavanger, 306, Tune, 309 Tiller; Sweden: 530 - Charlottenberg; Finland: 702 - Itäkeskus, 703 - Kaleva, 704 - Kluuvi, 708 - Mylly, 709 - Oulu, 712 - Lapeenranta, 714 - Kuopio, 717 - Seinäjoki.

Heating/cooling (landlord managed retail facilities)

Where actual data is not available, heating/cooling is estimated for landlord-managed retail facilities in Sweden. Square footage of is used, leveraging actual FY 2024 square footage data, along with heating/cooling intensity (kWh per square meter of known FY 2024 XXL heating/cooling in retail facilities). Heating for the following retail units were estimated for FY24: Sweden: 503 - Sisjön, 510 - Jonköping, 514 - Karlstad, 515 - Helsingborg, 518 - Gävle, 522 - Kalmar, 523 - Länna, 524 - Halmstad, 530 - Charlottenberg. Cooling for the following retail units

were estimated for FY24: Sweden: 510 - Jonköping.

Waste generated in own operation (landlord managed retail facilities)

Where actual data is not available, Waste generation is estimated for landlord-managed retail facilities in Norway, Finland and Austria. Number of items sold is used, leveraging actual FY 2024 number of actual items sold, along with waste generation data of known FY 2024 in other XXL retail facilities). Waste generation for the following retail units were estimated for FY 2024: Norway: 308 - Drammen, 310 - Lagunen, 311 - Majorstua, 317 - Ålesund, 319 - Steinkjer, 324 - Bodø, 325 - Harstad, 331 - Buskerud, 334 - Bryne, 338 - Alta, 339 - Lillehammer; Sweden: 526 - Emporia; Finland: 703 - Kaleva, 704 - Kluuvi, 706 - Lielahiti, 708 - Mylly, 717 - Seinäjoki

CALCULATION METHODOLOGY

In the interest of transparency and accuracy, we continuously scrutinize our environmental reporting methods and strive for the most accurate representation of our overall GHG contributions. In February 2024, Normative, our carbon accounting provider, introduced an improved version of their GHG emissions calculation model for spend-based calculations. More specifically, the latest version (3.8.2) of the database Exiobase 3 has been adopted and monetary emission factors have been updated accordingly. This also includes our emissions in the baseline year of 2021.

This upgrade introduces refined, spend-based emissions data, leading to a more precise carbon footprint measurement. Adopting this updated methodology may result in dif-



ferences in our reported emissions, as our environmental impact is now depicted with increased specificity. While these shifts may affect comparative figures from previous reports, they are essential strides toward more impactful and informed sustainability strategies. We remain dedicated to advancing our sustainability journey with integrity and transparency. For scope 1 we have used DESNZ (2024), for scope 2 we have used AIB (2023) and for scope 3 we have used IEA (2024), Defra (2024), DESNZ (2020, 2024), Ecoinvent (3.10), Exiobase (3.8.2) and AIB (2023).

ESRS E5

Resource use and circular economy

WHY IT MATTERS

Resource use and circular economy is closely linked to our strategy and business model and XXL is highly dependent on material resources to provide products to consumers and to support our operations. Resource scarcity will largely affect our business model, through potential price increases and reduced availability of key components like minerals and textiles in our sold products. We acknowledge that our main activities as a sports retailer have a significant material footprint and impact on the environment and society through consumption of goods. Simultaneously, we see great opportunities in further expanding our existing workshop services in all stores and exploring new circular business models that will enable us to reduce our material consumption and production cost in the value chain, prolong the product lifecycle and promote reuse of products.

Index

(OO) Own Operations
(UVC) Upstream Value Chain
(DVC) Downstream Value Chain

Short-term 0-1 year
Medium-term 1-5 years
Long-term >5 years

Please see our topical sections for more information on impacts, risks and opportunities.

E5 Resource Use and Circular Economy

Type of impact and where they occur	Material impact, risk or opportunities	Description	Time horizon	IRO
Impact:				
Negative impact (UVC)	Overuse of recourses	Intensive exploitation of virgin resources, drawn from both renewable and non-renewable reserves, contributes to the depletion of raw materials and environmental degradation.	Medium-term	E5.1
Negative impact (DVC)	Waste	The result of physical products is often waste and there is a risk of waste after products are sold from XXL and used by the customers including both packaging and the product itself that affects both nature and people.	Short-term	E5.2
Risk:				
Supply chain risks (UVC, OO)	Resource scarcity	Resource scarcity can pose a risk supply chain disruptions due to resource shortage, and increased prices on raw materials.	Long-term	E5.3
Reputation risks (OO)	Public perception	Reputational damage may occur if XXL is seen as wasteful or unsustainable due to high material consumption of non-recyclable materials, or if product quality and duration is below expectation.	Medium-term	E5.4
Opportunities:				
New markets (DVC, OO)	Circular business models	Circular business models represent new opportunities as evolving political and regulatory landscapes, coupled with shifting consumer trends and behaviors, lay the groundwork for enhanced profitability and an increased consumer willingness to pay	Medium-term	E5.5
Reduced cost (UVC, OO)	Minimization strategies	Raw material efficiency in production of products and packaging represents an opportunity of reduced production cost. Sale of used products and up-cycling activities increase products life-time and generates profitability without overuse of resources.	Medium-term	E5.6

E5-1 – Policies related to resource use and circular economy

Not all material sustainability matters related to resource use and circular economy are covered/referenced by adopted policies. XXL has during the fall of 2024 developed an overall sustainability policy to include all material topics and performed a comprehensive work on targets and action plans for several material topics. Based on our prioritization, a more detailed policy framework for E5 Resource Use and Circular Economy was decided to be developed in 2025. This is due to the finalization of targets and action plans set to be a key part of the policy framework, including the material IROs of resource inflows, resource outflows, waste, circularity of products and materials.

E5-2 – Actions and Resources Related to Resource Use and Circular Economy

XXL has yet not detailed out the specific actions but has set clear targets for resource use and circular economy. The related actions are planned to be further detailed and operationalized in 2025 due to the need for proper anchoring in the structured program reporting established in 2025. Details on actions and resources related to the targets will therefore be disclosed in the 2025 annual report.

E5-3 – Targets related to resource use and circular economy

Our targets related to E5 resource use and circular economy relates to circular share of business, circular share of product portfolio and waste and is embedded in our overall XXL Sustainability Policy. Targets are set for 2030 with a baseline year of 2024. Participants from the entire organization (30+ total) has been involved in the target setting process across all material sustainability topics. During the process we have considered the production phase, the use phase, and the end of functional life of products and materials. The targets have been approved by the Senior Management Team and the Board of Directors. As the targets were first established in 2024, we currently do not have any data regarding the performance against the disclosed target.

INCREASE OUR CIRCULAR SHARE OF BUSINESS

The target is to increase the share of total revenue coming from products or services contributing to prolonging the product lifetime of sold goods to 10 % by 2030. The scope is the revenue from our own operations. The baseline year from which progress is measured is 2024 with a corresponding baseline value of 2,9%.

We have utilized the share of revenue that is linked to circular activities such as our workshop services. The target is aligned with the overall ambition of the EU commissions Circular Economy Action Plan, to move towards a higher share of circular business models that prolong product lifetime to reduce material impact of sold products. The target is a part of XXLs preparation for upcoming legislations, including



Right to Repair and Eco Design (ESPR) directives. Circular business models are identified as a key element in achieving a circular economy and reducing the material impact of the retail industry. This is backed by i.e. the EUs focus on business models in the Circular Economy Action Plan and research performed by Ellen MacArthur Foundation. Data is based on revenue from services and products. Includes repairs, services, insurance, spare parts, care products, refurbished/upcycled products, second hand/resale, rental/ subscription and return/takeback business models.

INCREASE CIRCULAR SHARE OF OUR PRODUCT PORTFOLIO

The target is to increase the share of circular products in the product portfolio to 50% by 2030. The scope is the products sold at our stores and sourcing from our upstream value chain.

The baseline year from which progress is measured is 2024 with a corresponding baseline value of 18,93%. A circular product in this calculation is defined as any product containing elements that are recycled, ecological, organic, or recyclable, regardless of the proportion. We have utilized the materials in sold products to perform our calculations. In lack of conclusive scientific evidence, we plan to implement a broader definition of circular products following planned upcoming EU standards to ensure that our definition

corresponds to international applicable legislation and best practice reporting. A wider definition could include circular design parameters like durability, repairability and raw material usage. The target can also positively affect biodiversity resulting in reduced biodiversity loss due to decrease in raw material usage. The target is set on a voluntary basis.

ZERO WASTE IN OUR OPERATIONS

The target is to reduce waste generated from our operations to as close to zero as possible by 2030.

The baseline year from which progress is measured is 2024 with a corresponding baseline value of 507 tonnes. The target covers waste generated by activities in own operations across all operating geographies. Waste is defined as resources that end up in landfill and incineration, i.e. below recycling in the waste hierarchy from the EU. The target aims to reduce waste from our own operations through reducing, reusing and recycling of all recyclable materials and is set on a voluntary basis.

The targets related to our resource use and circular economy are aligned with national and international policy goals, including the waste hierarchy principle. We expect that future EU legislation and international standards will help us further detail out our methodologies and significant assumptions.

Summary

Target name	MDR-T Baseline value (decimal)	MDR-T Baseline year (decimal)	End target
Increase our circular share of business	2.9%	2024	10% (2030)
Increase circular share of our product portfolio	18.93%	2024	50% (2030)
Zero waste in our operations	507	2024	0 (2030)



E5-4 – Resource inflows

Resource inflow in the upstream value chain are the raw materials used in the purchased goods to XXL entities. These include textiles, iron & metal scrap, msw (Municipal Solid Waste), aluminium, coloured plastic, combustible waste, electrical equipment, rubber, clear plastic.

Metric	Total
Overall total weight of products and technical and biological materials used (tonnes)	16721

Metric	Total
Percentage of sustainably sourced biological materials used to manufacture products and services (including packaging) (%)	0.05

Metric	Total
Total weight of secondary reused/recycled components/products/materials used to manufacture products and services (tonnes)	318

Metric	Total
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture products and services (%)	1.9



REPORTING PRINCIPLES

Resource inflow related to purchased goods and services are calculated based on the same fraction of materials from outflow of resources adjusted for total weight of products purchased compared to products sold. We calculate the weight of recycled materials for products purchased in 2024 across all markets. The base for the calculation is products fulfilling 2 criteria: (1) they are invoiced during 2024; (2) net weight data is available for the purchases. We use material composition information as provided by our suppliers to report the share of recycled content and sustainably sourced biological materials. We do not, currently, have specific information about the certification schemes and cascading principles of the biological materials. In correlation with improved product data, we aim to obtain this information for the 2025 reporting.

We calculate the weight of recycled materials for each product by multiplying the percentage of the product consisting of recycled materials by the net weight of the product. Products with unknown material composition and products containing several parts, each with a different material composition, where the weight of each part is unknown, are excluded from the calculation.

The metrics have not been subject to validation from an external body.

E5-5 – Resource outflows

At XXL we understand the importance of offering high-quality and durable products that meet the needs of our customers while also minimizing our environmental impact. We are committed to improving the quality and durability of our products, and at the same time ensure affordable and accessible products for all people. Based on our assessment of the sporting goods industry and relevant players within this space, we see that there is no single standard for expected durability. Requirements for durability is based on the company expectations and assessed based on product testing of the individual products. Many of the XXL suppliers perform such testing, but due to a wide variety of product categories in the XXL assortment, testing methods and results vary accordingly. XXL adheres to national purchasing legislation where product deficiencies determine the customers right to complain within a certain timeframe. All XXL products and product groups are covered by these regulations and the expected durability is therefore 100% compared to the industry average. For the Nordic countries this varies between two to five years based on the expected durability for each product group.

The Group is committed to extending the lifespan of our products through offering products and services that prolong product usage. Our aim is to minimize waste generation and promote a circular economy where our products are used for play and outdoor recreation as many times as possible. We provide maintenance and repair services for many of our products in our Workshops and work with our suppliers to ensure their durability and repairability. We also

encourage our customers to repair and maintain their products through various initiatives such as repair- and maintenance guides, offering spare parts and care products in our stores, or to deliver their products to our workshops and gunsmiths or repair partners. Furthermore, we are exploring new circular business models like reuse, repair and leasing to meet the changing consumer trends and behaviours and to reduce the climate and material impact our products while identifying new business opportunities.

To achieve these goals, we work closely with our suppliers and partners to ensure that our products are designed with repair in mind. New legislation such as Ecodesign for Sustainable Products Regulations (ESPR) and the Right to Repair Directive (R2R), sets thresholds for businesses to ensure products repairability. ESPR will potentially cover many of XXL products and we are closely monitoring the development, particularly for textile- and energy-related products. R2R entered into force in 2024, and we are tracking the transposition into national law in our markets. We expect that E-bikes and its batteries will be the first of XXL's products in scope under the R2R. XXL have over time worked to improve the services and technology solutions to meet future requirements. XXL is continuously monitoring rating systems for repairability, where the EU repairability scoring system being the most prominent at the current moment. As of now, none of XXL product categories are covered by this.

We regularly review and assess our processes to identify opportunities for improvement and innovation when it comes to our service offerings. We monitor and report on



our progress and engage with our stakeholders to gain their feedback and input. Our workshop services and circular business models is an integral part of our core business and our commitment to sustainability and responsible business practices. We believe that by promoting a circular economy, we can increase value for our stakeholders while minimizing the impact on the environment from our operations.

The weight of recyclable materials in the products sold in 2024 is estimated based on the material composition of products and on the weight of purchased products. This is a conservative estimate and ensure that only known recyclable contents in our products are included. The percentage of recyclable content used in products is set to zero based on our current data availability.

Metric	Total
Rate of recyclable content used in products' packaging (%)	69.17

The weight of recyclable packaging materials 2024 is based on TMR's estimation of the recyclability of the different waste fractions. TMR is XXL's packaging producer responsibility organization in Sweden. The Swedish producer responsibility scheme includes eco-modulation of the different waste fractions, reflecting the recyclability rate, thus Swedish packaging data is more accurate than Norwegian where eco-modulation has not yet been applied. We aim to increase our share of recyclable content and expect this to increase both due to planned work with suppliers and more accurate data.

Data on resource outflows from products is sourced from partial direct measurement and estimation. The actual numbers on sold items in 2024 are a result of direct measurement, and the categorization is based on estimates from waste reports.

Metric	Total
Total amount of waste generated (tonnes)	3643
Total amount of hazardous waste recovered (tonnes)	16
Amount of hazardous waste recovered by preparation for reuse (tonnes)	0
Amount of hazardous waste recovered by recycling (tonnes)	16
Amount of hazardous waste recovered by other recovery operations (tonnes)	0
Total amount of non-hazardous waste recovered (tonnes)	3120
Amount of non-hazardous waste recovered by preparation for reuse (tonnes)	0
Amount of non-hazardous waste recovered by recycling (tonnes)	3120
Amount of non-hazardous waste recovered by other recovery operations (tonnes)	0
Total amount of hazardous waste directed to disposal (tonnes)	0
Amount of hazardous waste disposed by incineration (tonnes)	0
Amount of hazardous waste disposed by landfill (tonnes)	0
Amount of hazardous waste disposed by other disposal operations (tonnes)	0
Total amount of non-hazardous waste directed to disposal (tonnes)	507
Amount of non-hazardous waste disposed by incineration (tonnes)	505
Amount of non-hazardous waste disposed by landfill (tonnes)	2
Amount of non-hazardous waste disposed by other disposal operations (tonnes)	0

Metric	Total
Total amount of waste diverted from disposal (tonnes)	3136
Total amount of hazardous waste recovered (tonnes)	16
Total amount of non-hazardous waste recovered (tonnes)	3120

Metric	Total
Total amount of waste directed to disposal (tonnes)	507
Total amount of hazardous waste directed to disposal (tonnes)	0
Total amount of non-hazardous waste directed to disposal (tonnes)	507

Metric	Total
Total amount of non-recycled waste (tonnes)	507
Amount of hazardous waste recovered by other recovery operations (tonnes)	0
Amount of non-hazardous waste recovered by other recovery operations (tonnes)	0
Total amount of waste directed to disposal (tonnes)	507

Metric	Total
Percentage of non-recycled waste (%)	13.92

DISCLOSURE OF THE COMPOSITION OF THE WASTE

Waste from XXLs upstream activities, including the production process, is primary sales packaging in the product purchased from its suppliers. XXLs own functions produce waste in stores, offices and central warehouses. Waste from downstream activities is primary transportation packaging for XXLs products and end of life treatment of items sold. Significant categories included are textiles, iron & metal scrap, msw, aluminium, coloured plastic, combustible waste, electrical equipment, rubber, clear plastic. The resource outflow of waste is reported from renovation companies that XXL use in the operations. For locations not included in the reports obtained from renovation companies we have used estimates based on the sold products at each location.

Metric	Total
Total amount of hazardous waste generated (tonnes)	16
Total amount of hazardous waste recovered (tonnes)	16
Total amount of hazardous waste directed to disposal (tonnes)	0

Total amount of radioactive waste generated

Metric	Total
Total amount of radioactive waste generated (tonnes)	0



EU Taxonomy

XXL reports on revenue, capital expenditure and operating expenses assessed to be taxonomy-eligible and taxonomy-aligned for the reporting period 1 January 2024 to 31 December 2024.

In the following, we describe the way our economic activities regulated under the EU taxonomy have been identified and how their alignment has been assessed. Retail is not yet in scope for the EU taxonomy, however some of non-core economic activities fall within other sectors which are included in the EU taxonomy, such as electricity generation, sale of bicycles, repair and refurbishment activities in our workshops as well as our warehouses and offices.

The EU taxonomy aims to bring additional economic activities gradually within its scope. We will therefore continue to pay close attention to the development of the taxonomy and conduct new eligibility screenings once new activities are introduced. Furthermore, new eligibility screenings will be conducted when and if we initiate additional economic activities.



In order to meet the disclosure requirements in the taxonomy regulation and the disclosure delegated acts, we have followed the subsequent process:

- Mapping of our economic activities against the activities outlined in the EU Taxonomy Delegated Acts in order to determine taxonomy-eligible activities
- Assessing the technical screening criteria and minimum safeguards for each eligible activity in order to conclude on taxonomy-aligned activities. XXL has assessed alignment based on available documentation and internal knowledge of company operations.
- Linking financial KPIs to identified taxonomy-eligible and taxonomy-aligned activities
- Disclose KPIs and contextual information

Description of taxonomy-eligible and aligned activities

TAXONOMY ACTIVITY: CCM 4.1 - ELECTRICITY GENERATION USING SOLAR PHOTOVOLTAIC TECHNOLOGY

XXL has together with the landlord installed solar photovoltaic technology on the entire roof of the Central Warehouse located in Norway and sell the excess power to the grid. The license has been approved and XXL is now an electricity supplier. The activity generates electricity using solar PV technology and qualifies as an eligible activity in the EU taxonomy. The products found to be relevant for this activity for XXL fit in the following NACE codes:

- D35.11 Production of electricity from renewable sources

SUBSTANTIAL CONTRIBUTION TO CLIMATE MITIGATION

The activity generates electricity using solar PV technology. The activity therefore meets the substantial contribution criteria in the Taxonomy.

DO NO SIGNIFICANT HARM CRITERIA

Climate adaptation

Referring to the assessment of climate risks performed and described in the annual report under the section “Material impacts, risks and opportunities and their interaction with strategy and business model”, we assess that the generation of electricity using solar PV technology complies with the criteria set out in Appendix A in the taxonomy. This includes consideration of the following:

The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of the Appendix by performing a climate risk and vulnerability assessment (including point a-c) and,

The climate risk and vulnerability assessment are proportionate to the scale of the activity and its expected lifespan (including point a-b).

XXL has not identified any climate risks related to the activity “Electricity generation using solar photovoltaic technology” that are material. XXL has therefore not found it necessary to implement any adaption solutions for the activity. Therefore, we assess the activity to meet the do-no-significant-harm criteria to climate adaptation.



Circular economy

The installation of solar PV technology was done in 2022 and uses equipment and components of high durability and recyclability and that are possible to dismantle and refurbish and can therefore be considered to be in line with the DNSH criteria for circular economy. XXL has got this confirmed and documented by the technical experts of the solar installation equipment and components.

Biodiversity

Referring to the screening of XXL sites performed in relation to the Double Materiality Process:

“In order to respond to the disclosure regarding screening of site locations and business activities, an important aspect to emphasize is that XXL does not have operational control over any sites or factories in the value chain. XXL does not own any of the stores in the countries of operation, nor the central warehouses in Norway and Sweden which are located in Gardermoen and Örebro respectively. These are classified as “Right-of-Use” (ROU) assets in the consolidated financial statements of XXL...

... the mentioned ROU assets are not considered to be located in or near biodiversity-sensitive areas. These areas are highly populated areas where the surroundings are already urban areas, implying that the risk of degradation of nature and biodiversity is limited. The retail stores are often located inside shopping centres or larger structural buildings where the effect on nature is minimal. We have used trustworthy sources to assess

our store locations such as Naturbase (from Miljødirektoratet) and WWF risk filters. We see that when filtering for “Naturtyper, Naturmangfold”, “Naturvernområder” and “Arter og Artsforvaltning” there are a very limited number of sites that are located in such areas. Hence, it has not been concluded that it is necessary to implement biodiversity mitigation measures at the current moment. We will continue to work with this when opening new stores and site locations going forward.”

Additionally, we have screened our central warehouse for EIA through the landlord. The result of our screening shows that an impact assessment is not required according to the Energy Act. The landlord applied for a building permit according to the Planning and Building Act, which has been granted by the municipality.

We have evaluated that the activity complies with the criteria set out in Appendix D to the Taxonomy and therefore meets the do-no-significant-harm criteria to biodiversity.

TAXONOMY ACTIVITY: CCM 6.4 - OPERATION OF PERSONAL MOBILITY DEVICES, CYCLE LOGISTICS

Through the XXL operations we sell a large number of both electrical bicycles and bikes where the propulsion comes from the physical activity of the user, or a mix of these. These are available in all of our stores across the Nordics and purchased from recognized suppliers.



SUBSTANTIAL CONTRIBUTION TO CLIMATE MITIGATION

The propulsion of the bicycles comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity.

The bicycles sold are allowed to be operated on the same public infrastructure as bikes or pedestrians.

DO NO SIGNIFICANT HARM CRITERIA

Climate adaptation

Referring to the assessment of climate risks performed and described in the annual report under the section “Material impacts, risks and opportunities and their interaction with strategy and business model”, we assess that the sale of bicycles complies with the criteria set out in Appendix A in the taxonomy. This includes consideration of the following:

The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of the Appendix by performing a climate risk and vulnerability assessment (including point a-c) and,

The climate risk and vulnerability assessment are proportionate to the scale of the activity and its expected lifespan (including point a-b).

XXL has not identified any climate risks related to the activity “Operation of personal mobility devices, cycle logistics” that are material. XXL has therefore not found it necessary to implement any adaption solutions for the activity. Therefore, we assess the activity to meet the do-no-significant-harm criteria to climate adaptation.



Circular economy

Bike maintenance is an important part of our workshop services and measures are in place to ensure proper management of end-of-life treatment of batteries and electronics. Currently, we have agreements with national waste management suppliers in Norway, Sweden and Finland, including handling of batteries in line with the applicable regulations in each country. Here we have ensured that our workshops can recycle all waste they may need. We are also looking into solutions for battery repair as we see that there is a demand for this connected with batteries for e-bikes.

On this basis, we assess the activity to meet the do-no-significant-harm criteria to circular economy.

TAXONOMY ACTIVITY: CE 5.1 - REPAIR, REFURBISHMENT AND REMANUFACTURING

The repair, refurbishment and remanufacturing activity is a key activity in all stores that XXL operates in Norway, Sweden and Finland. XXL can perform repair, refurbishment and remanufacturing of bikes, skis, rackets, shoes, golf clubs, ice skates and rifles. The products found to be relevant for this activity for XXL fit in the following NACE codes:

- C33.1.1 Repair of fabricated metal product
- C33.1.9 Repair of other equipment

SUBSTANTIAL CONTRIBUTION TO CIRCULAR ECONOMY

To make a substantial contribution to the environmental objective ‘circular economy’, XXL’s repaired products must be conducted with the intention to extend the lifetime of

the products. The replaced or broken parts in the repaired products must also either be reused, recycled, or disposed in accordance with applicable EU and national legislations. All XXL's repairment activities fulfils the technical criteria for substantial contribution, as measures are in place to ensure proper management of end-of-life treatment of equipment, batteries and electronics. Currently, we have agreements with national waste management suppliers in Norway, Sweden and Finland, including handling of batteries in line with the applicable regulations in each country. Here we have ensured that our workshops can recycle all waste they may need. We are also looking into solutions for battery repair as we see that there is a demand for this connected with batteries for e-bikes.

DO NO SIGNIFICANT HARM CRITERIA

Climate mitigation

The XXL repair, refurbishment and remanufacturing activities use electricity to perform some of the activities, but at the current stage we do not have sufficient information regarding the environmental conditions of each building as this is dependent on the agreements with the landlord. We will continue to work with the landlords to obtain sufficient documentation regarding the energy efficiency and other relevant environmental aspects in the future, to enhance our alignment for the taxonomy activity of CE 5.1 – repair, refurbishment and remanufacturing. The activity does therefore not comply with the do-no-significant-harm criteria to climate mitigation.

Climate adaptation

Referring to the assessment of climate risks performed and

described in the annual report under the section “Material impacts, risks and opportunities and their interaction with strategy and business model”, we assess that the repair, refurbishment and remanufacturing activities in our workshops complies with the criteria set out in Appendix A in the taxonomy. This includes consideration of the following:

The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of the Appendix by performing a climate risk and vulnerability assessment (including point a-c) and,

The climate risk and vulnerability assessment are proportionate to the scale of the activity and its expected lifespan (including point a-b).

XXL has not identified any climate risks related to the activity “Repair, refurbishment and remanufacturing” that are material. XXL has therefore not found it necessary to implement any adaption solutions for the activity. Therefore, we assess the activity to meet the do-no-significant-harm criteria to climate adaptation.

Water

All XXL repair, refurbishment and remanufacturing activities occur in our workshops inside our stores and with minimal water consumption and impact on marine resources. No degradation risks with regards to water quality and water stress have been identified and no measures have been deemed necessary. We therefore assess the activity to be compliant with the criteria set out in Appendix B to the taxonomy and the do-no-significant-harm criteria to water



and marine resources.

Pollution prevention

XXL repair, refurbishment and remanufacturing activities are conducted in line with the XXL policies and procedures set out in the product compliance documents. XXL does not meet the criteria set out in Appendix C to the taxonomy due to lack of documentation of the relevant substances for each category. With the expected simplifications proposed from the EU, XXL continues to monitor the development in the coming years.

TAXONOMY ACTIVITY: CCM 7.7 – ACQUISITION AND OWNERSHIP OF BUILDINGS

XXL has lease agreements for all the store locations across the Nordics. These are classified as “Right-of-Use” (ROU) assets in the consolidated financial statements of XXL and are located in Norway, Sweden and Finland. The stores are often located inside shopping malls or as individual big box locations. The different facilities vary between the agreements with the landlord at the specific location but are characterized by large store format with a significant number of square meters per store.

SUBSTANTIAL CONTRIBUTION TO CLIMATE MITIGATION

At the current stage we do not have sufficient information regarding the environmental conditions of each building as this is dependent on the agreements with the landlord. We will continue to work with the landlords to obtain sufficient documentation regarding the energy efficiency and other relevant environmental aspects in the future, to enhance our alignment for the taxonomy activity of CCM 7.7 – acquisition



and ownership of buildings. Based on this, we have therefore not been able to conclude on compliance against the substantial contribution criteria to climate mitigation for our buildings and report the activity against non-aligned.

DO NO SIGNIFICANT HARM CRITERIA

Climate adaptation

Referring to the assessment of climate risks performed and described in the annual report under the section “Material impacts, risks and opportunities and their interaction with strategy and business model”, we assess that our leased warehouses, office buildings and stores comply with the criteria set out in Appendix A in the taxonomy. This includes consideration of the following:

The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of the Appendix by performing a climate risk and vulnerability assessment (including point a-c) and,

The climate risk and vulnerability assessment are proportionate to the scale of the activity and its expected lifespan (including point a-b).

XXL has not identified any climate risks related to the activity “Acquisition and ownership of buildings” that are material. XXL has therefore not found it necessary to implement any adaption solutions for the activity. Therefore, we assess the activity to meet the do-no-significant-harm criteria to climate adaptation.

MINIMUM SAFEGUARDS:

Human rights

XXL ASA is reporting in accordance with the Transparency Act and has established internal procedures and guidelines adhering to this. We perform our assessments through our Integrity Due Diligence process including both mapping, risk assessments, action plans and monitoring of the effectiveness. This is reported annually in our Transparency Act report available on the company website. Our Due Diligence Report is adopted by the Board and will be updated annually. There have not been any breaches in relevant regulations or OECD Guidelines, nor any refusals to respond to BHRCC or other national contact points during the period.

Corruption

XXL ASA performs risk assessments including corruption and the materiality of such. The group has a comprehensive Code of Conduct underlining this, stating the position on corruption and bribery. The policy framework is openly accessible on the company website and is effectively monitored and updated by the Group Compliance Officer and approved by the Board of Directors ensuring proper internal control and governance. The Code of Conduct is part of the onboarding for all XXL employees. The group is not found guilty of breaches in relevant legislation in this area.

Taxation

XXL ASA performs risk assessments including tax concerns and openly discloses the position on tax strategy, planning of tax and tax payments in accordance with the national regulations. The group is not found guilty of breaches in relevant legislation in this area. Please refer to tax note (note

7) included in the financial statements for further details.

Fair competition

XXL ASA performs risk assessments including the company's exposure to risk of fair competition. This is also included as part of the Code of Conduct and the Supplier Code of Conduct. The policy framework is openly accessible on the company website and is effectively monitored and updated by the Group Compliance Officer and approved by the Board of Directors ensuring proper internal control and governance. The Code of Conduct is part of the onboarding for all XXL employees. The group is not found guilty of breaches in relevant legislation in this area. No sanctions of corrective action have taken place to handle employees or third parties who has been in breach with the relevant regulations of fair competition.

ACCOUNTING POLICY AND ALLOCATION OF FINANCIAL KPIS

We have calculated the financial KPIs for turnover, CapEx and OpEx in accordance with the EU taxonomy disclosure delegated act. We have obtained the financial values from our accounting system and ensured that the values reconcile with the presented numbers in our financial statements. Please refer to the respective KPIs below for further information.

Avoiding double counting

None of our eligible activities are so called 'enabling' activities against environmental objective 2 'Climate Change Adaptation' in the taxonomy. Hence, the revenue KPI is not relevant against this objective. In 2024, the Group has not



incurred specific CapEx or OpEx to adapt or protect our Taxonomy activities against physical climate hazards. As a result, we do not consider the activities eligible against 'Climate Change Adaptation', and we therefore only assess alignment against environmental objective 1 'Climate Change Mitigation' for activities also covered under objective 2 'Climate Change Adaptation'. Consequently, there is no risk of double counting in the allocation of KPIs to economic activities against environmental objectives 1 and 2 in the Regulation.

Turnover

Our total reported turnover consists of our total operating revenue as presented in the financial statements (note 2) and includes all revenue from XXL operations. Our Taxonomy aligned activities consists of revenue generated from sale of personal mobility devices and electricity generation using solar photovoltaic technology. For the sales of personal mobility devices, we have obtained financial values from our bike sales directly from the accounting system. This includes both electrical bicycles and bikes where the propulsion comes from the physical activity of the user, or a mix of these.

For the electricity generation using solar photovoltaic technology, we have used reports regarding the sales numbers for electricity from our production at the central warehouse in Norway. We have also internally consumed 697,928 kWh of the production estimated at NOK 512,735 if purchased at a market price. We have also reported our repair, refurbishment and remanufacturing activities in our workshop services as eligible.

CapEx

Our total reported CapEx consists of our CapEx as presented in the financial statements and includes all additions related to PP&E, intangibles and right-of-use assets in note 4, 5 and 18, respectively. We have no Taxonomy aligned CapEx activities in 2024 but have reported our additions related to right-of-use assets for CCM 7.7 Acquisition and ownership of buildings as eligible.

OpEx

Our total reported OpEx consists of R&D, repair and maintenance and rental costs that are not capitalized in the balance sheet. We have reconciled our total operating expenses to the financial statements and specified the costs related to the abovementioned categories. We have no Taxonomy aligned OpEx activities in 2024 but have reported our repair, refurbishment and remanufacturing activities in our workshop services as eligible. The OpEx related to this activity consists of total labour costs in the workshops (labour costs dedicated to repair and maintenance activities) as well as tools costs and are extracted from our cost accounts.



Turnover	2024			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	"Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turn-over, year 2023 (18)"	Category enabling activity (19)	"Category transitional activity (20)"
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4	508.3	7.1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	8.4 %		
Electricity generation using solar photovoltaic technology	CCM 4.1	0.4	0.0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0 %		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		508.7	7.1 %	7.1 %	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	8.4 %		
Of which Enabling	0		0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.0 %	E	
Of which Transitional	0		0%	0%						Y	Y	Y	Y	Y	Y	Y	0.0 %		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	CE 5.1	83.3	1.2 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.8 %		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		83.3	1.2 %	0%	0%	0%	0%	1.2 %	0%								0.8 %		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		592.0	8.2 %	7.1 %	0%	0%	0%	1.2 %	0%								9.2 %		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		6,591.0	91.8 %																
TOTAL		7,183.0	100%																

CapEx	2024			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)										
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	"Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)"	Category enabling activity (19)	"Category transitional activity (20)"	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%			
Of which Enabling	0		0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E		
Of which Transitional	0		0%	0%						N	N	N	N	N	N	N	0%		T	
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Acquisition and ownership of buildings	CCM 7.7	415.0	82.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								79.2 %			
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		415.0	82.3 %	82.3 %	0%	0%	0%	0%	0%								79.2 %			
A. CapEx of Taxonomy eligible activities (A.1+A.2)		415.0	82.3 %	82.3 %	0%	0%	0%	0%	0%								79.2 %			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy non-eligible activities		89.2	17.7 %																	
TOTAL		504.2	100%																	

OpEx	2024			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)							"Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)"	Category enabling activity (19)	"Category transitional activity (20)"	
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%			
Of which Enabling	0		0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E		
Of which Transitional	0		0%	0%						N	N	N	N	N	N	N	0%	T		
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Repair, refurbishment and remanufacturing	CE 5.1	62.2	18.9 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1.6 %			
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		62.2	18.9 %	0%	0%	0%	0%	18.9 %	0%								1.6 %			
A. OpEx of Taxonomy eligible activities (A.1+A.2)		62.2	18.9 %	0%	0%	0%	0%	18.9 %	0%								1.6 %			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy non-eligible activities		267.1	81.1 %																	
TOTAL		329.3	100%																	

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

II. Social information

ESRS S1

Own workforce

WHY IT MATTERS

XXL acknowledges the critical importance of ensuring a safe, developing and inclusive work environment for all our personnel, including permanent and temporary employees, agency staff, and contractors. XXL values human life and well-being and is committed to upholding the health and safety of our workforce, recognizing that these factors are important not only for ethical reasons but also for enhancing operational efficiency and reducing costs.

Index

(OO) Own Operations
(UVC) Upstream Value Chain
(DVC) Downstream Value Chain

Short-term 0-1 year
Medium-term 1-5 years
Long-term >5 years

Please see our topical sections for more information on impacts, risks and opportunities.

S1

Own Workforce

Type of impact and where they occur	Material impact, risk or opportunities	Description	Time horizon	IRO
Impact:				
Negative impact (OO)	Workload and low resource capacity	High workload, reduced worklife balance and shortage of human resources lead to health issues and low morale.	Short-term	S1.1
Negative impact (OO)	Employee development and health	If the XXL culture does not promote diversity, equality and inclusion, it may affect employees' development, health and well-being	Short-term	S1.2
Risk:				
Financial (OO)	Absence	Disproportionately high absence from illness results in increased cost and potential decreased productivity and profitability.	Short-term	S1.3
Talent attraction and retention (OO)	Employer branding	Risk of reduced retention and low attractiveness as an employer if the workforce is not managed well resulting in increased turnover cost	Medium-term	S1.4
Opportunities:				
Productivity (OO)	Training and personal development	Enhanced competency, training and personal development increase productivity and increased employee retention which can reduce operating costs and costs related to turnover of employees	Medium-term	S1.5
Talent attraction (OO)	Employer branding	A well managed workforce, good communication and employer branding attracts top talents to the company potentially resulting in top line growth and increased operational efficiency	Medium-term	S1.6

S1-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

DESCRIPTION OF MATERIAL IMPACTS RESULTING FROM THE MATERIALITY ASSESSMENT

XXL's culture and strategic efforts in talent acquisition, competence development, and leadership underscore our commitment to workforce excellence. Our four Core Values **CUSTOMER-FIRST, KNOWLEDGEABLE, PASSIONATE, CARING** defines the foundation of our culture. Through targeted initiatives and policies, XXL aspires to foster an organizational culture that values diversity, encourages professional growth, and aligns with our strategic goals. The overview of impacts, risks and opportunities illustrates how XXL has mapped out the impacts on the company's employees. These have been crucial in developing our Reset & Rethink strategy including the culture reset that is currently ongoing.

Our material impacts are mainly focused on our own employees working in our stores, warehouses and offices. Due to XXL being a large retail company, employing more than 4 200 employees, there are several potential negative impacts that arises. A high workload can reduce the work-life balance and subsequently lead to health issues or low morale for our employees. Additionally, if the XXL culture does not prove to be inclusive, diverse and promoting equal opportunities this can lead to limitations in the development of our people or affecting other factors such as mental health and overall well-being.

The IROs identified through our double materiality assessment is discussed and approved by both the senior management team and Board of Directors, where impacts on own workforce is a central part. This is a formalized process described in our XXL Sustainability Policy. The outcome of the double materiality assessment is a key input to inform and contribute to adapting the undertaking's strategy and business model. This is illustrated through our strategic sustainability work performed during 2024 where impacts on our own workforce have been useful when developing targets and actions going forward. This has been done in close collaboration with both our HR department and other parts of the organization. XXL has significant impact on several categories of people including employees (including headquarter/office employees, central warehouse employees and store employees) and people provided by third party undertakings primarily engaged in employment activities. Our material negative impacts related to workload, development and health and well-being for our employees are mostly related to individual incidents as compared to widespread occurrence of such impacts.

DESCRIPTION OF MATERIAL RISKS AND OPPORTUNITIES RESULTING FROM THE MATERIALITY ASSESSMENT

Adverse conditions related to work environments or working conditions can disrupt business continuity, legal proceedings, fines or other financial consequences, or harm XXL's reputation and public perception of the brand. Complying with regulations concerning working conditions and equal treatment is fundamental to mitigating risks and maintaining a positive standing in the markets that we operate. High



absence rates can result in increased cost and potentially decreased productivity and profitability if we fail to monitor the workforce sufficiently and be aware of any early signs of absence. Discrimination and harassment are possible risks XXL must monitor closely. Throughout our DMA process, we have developed our understanding of people with particular characteristics such as people with disabilities and underrepresented groups. Enhanced competence, training and personal development can increase productivity and reduce employee retention rate and at the same time have the potential to attract top talents to the company. The abovementioned risks and opportunities do, to a large extent, arise from impacts and dependencies on our own workforce. Risks of forced labour and child labour is not deemed material for our own workforce due to operations in the Nordics.

S1-1 – Policies related to own workforce

MINIMUM DISCLOSURE REQUIREMENTS FOR POLICIES RELATED TO OWN WORKFORCE (ESRS 2 MDR-P)

The XXL Code of Conduct applies to all operational and organizational activities of XXL, encompassing the entire value chain from upstream to downstream. It applies to all regions where the group operates, covering all employees, managers, board members, temporary staff, contractors, consultants and anyone acting on behalf of XXL. The Code is applicable in all geographical areas where XXL operates. Monitoring processes include a mandatory training program and the requirement to sign a Declaration of Compliance. Non-compliance can result in corrective action, and alleged violations are reported and subject to investigation. Ensuring compliance with the policy requires collective effort from all parties involved, and the policy is accessible to all stakeholders for transparency. The Code is continuously monitored by the XXL Ethics and Compliance Officer and is subject for review when applicable.

The XXL Code of Conduct commits to respect various third-party standards and initiatives. These include international and national laws and regulations on occupational health, safety, security, anti-corruption, competition, privacy rights, and data protection. The Code also recognises the rights proclaimed in international human and labour rights conventions and is committed to General Data Protection Regulation's provisions on personal data retention. In addition, XXL adheres to the International Labour Organization convention No. 138 concerning child labour. Also, they com-

Policies and Procedures	Key content and objective	Responsible	IRO
Code of Conduct	The key contents of the XXL Code of Conduct policy include understanding the code and its application, maintaining commitment to compliance and integrity, promoting ethics, guidelines for employee behaviour, rules for reporting violations, and maintaining transparency. The policy also includes rules regarding anti-corruption and bribery, fair competition, acting with integrity, respecting human rights, safeguarding assets and information, and managing conflicts of interest. The objective of the policy is to provide guidelines for the XXL employees and associated parties.	Approved by the Board of Directors	S1.1 - S1.6

mit to the enforcement of fair competition and marketing legislation. We align our actions to globally accepted ethical norms and support international and national authorities in establishing and enforcing high ethical standards for businesses.

The XXL Code of Conduct is designed with consideration for the interests of all key stakeholders, including employees, shareholders, customers, suppliers, public officials, and society at large. Every policy and guideline within the Code is structured to align with the best interest of the company while improving compliances, integrity, workplace safety, and fair business practices in all professional relationships. The Code has strict guidelines regarding conflicts of interest, anti-corruption, equal opportunities, and the safeguard-

ing of assets, protecting stakeholders' interests. The Code also encourages transparent dialogue and engagement with stakeholders, fostering an open speak-up culture and mechanisms to report violations for fostering trust and fostering accountability. All of these considerations work to protect and serve the interests of the stakeholders in their relationship with XXL.

The XXL Code of Conduct is accessible to all potentially affected stakeholders and those responsible for its implementation on the company's official website (www.xxlasa.com) and the local web pages of the company's entities. It is also available on the company's local intranet. To facilitate understanding, the company offers a condensed version of the Code and a practical Anti-Corruption Guide.

DESCRIPTION OF HUMAN RIGHTS POLICY COMMITMENTS RELEVANT TO OWN WORKFORCE

XXL aims to comply with international laws and standards including UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises as evidenced by our Code of Conduct.

XXL is committed to respecting human and labour rights within its workforce, as outlined in its Code of Conduct. The company strives towards an inclusive workplace, with equal employment opportunities and fair treatment of all employees. XXL also aims to ensure compliance with labour rights, entitling workers to form and join trade unions, and bargain collectively in accordance with local laws. The company also respects privacy rights and aims to protect employees' personal data. Violations and potential breaches of these rights can be reported through established whistleblower channels, which promotes accountability and transparency in the company's human and labour rights approach.

XXL is committed to a culture of engagement and communication with our workforce. We prioritise transparency and dialogue with our employees through various platforms. Our 'Speak-up culture' encourages employees to seek advice, ask questions, share ideas and raise concerns without fear of retaliation. We also have Ethics and Compliance Framework in place to promote our commitment to integrity and ethical conduct. Our 'Ethics & Compliance Associates' in each local entity act as consulting resources to facilitate the understanding and application of our Code of Conduct. We foster an environment of mutual trust, respect and dignity



among our employees, promote equal opportunities, and strive to protect their health, safety, and security. Any potential conflicts of interest can be disclosed to the immediate superiors for appropriate action.

XXL is strongly committed to supporting and respecting fundamental human rights and labour rights as proclaimed in international rights' conventions. Any individual working for XXL is expected to conform to the principles laid out in the company's Code of Conduct which aligns with these global standards. Active measures are in place to minimise risk of violations in XXL's operations, supply chain, and business partners. Non-compliance is deemed a serious offence and may result in corrective actions, dismissal or criminal prosecution for severe cases. In the event of human rights impacts, XXL has set up clear reporting channels, ensuring transparency and immediate appropriate response.

The XXL Code of Conduct expressly addresses issues related to trafficking of human beings, forced labour, compulsory labour and child labour in section 4.2 titled "Fundamental Human Rights and Labor Rights". The company shows commitment in implementing and enforcing systems that minimise the risk of labour rights violations. XXL does not employ or use child labour

and will not tolerate any form of forced labour. Furthermore, the organisation declares a zero-tolerance approach towards modern slavery and human trafficking. These standards apply to practices within XXL and within the operations of our suppliers and business partners.

XXL has a workplace accident prevention policy in place as demonstrated by our commitment to a healthy, safe, and secure working environment. We strive to comply with applicable national and local laws and regulations on occupational health and safety. We are devoted to ensuring no harm comes to individuals on our job sites. Furthermore, we have procedures for employees to report any observed or suspected health and safety issues. Overall, workplace accident prevention is an integral part of our Code of Conduct.

DISCLOSURES RELATED TO THE ELIMINATION OF DISCRIMINATION AND PROMOTION OF EQUAL OPPORTUNITIES

The XXL Code of Conduct clearly outlines several policies and guidelines targeting discrimination elimination. XXL promotes an inclusive work culture and aim for all employees to receive equal opportunities without considering distinctions such as race, colour, nationality or religion. Harassment, including sexual harassment,

is strictly prohibited, with measures in place for prevention and correction of such behaviour. Any violation of these policies may lead to serious consequences, including potential termination of employment.

The XXL Code of Conduct explicitly prohibits discrimination in the workplace and in all business interactions on the basis of ethnicity, national origin, religion, sex, age, mental or physical disability, veteran status, sexual orientation, marital status or any other distinguishing characteristics protected by law. This covers all employment-related decisions, which are strictly based on merit, qualifications, and other professional criteria. Furthermore, all employees in XXL have the right to form and join trade unions and bargain collectively according to local laws and principles.



S1-2 – Processes for engaging with own workers and workers' representatives about impacts

DISCLOSURE OF GENERAL PROCESSES FOR ENGAGING WITH PEOPLE IN OWN WORKFORCE AND THEIR REPRESENTATIVES ABOUT ACTUAL AND POTENTIAL IMPACTS

Through regular dialogues, surveys, and collaborative platforms, XXL promotes that employee voices are heard and considered in decision-making processes, promoting a participatory work culture and reinforcing the company's commitment to our core values and ethical standards. XXL has 3 employee representatives in the Board of XXL, representing the three units: XXL Headquarter, XXL Store operations and XXL Warehouse and logistics.

XXL has implemented the Pulse survey to ensure that engagement occurs. The survey is conducted regularly during the year. The company also has several other channels for engagement such as appraisal interviews and more informal meeting spots to ensure good communication and arenas to raise concerns. The most important business processes, like the annual strategy process or budgeting, perform separate surveys for feedback on a regular basis. The ongoing culture reset program also started off by a broad survey for all employees in XXL and consists of an involving approach where representatives from all part of the XXL organization participate in different activities and workshops. The engagement with own workforce is organized under the Staff function, and under the operational responsibility of the EVP Staff.



The Pulse survey facilitates that engagement occurs and is followed up by the individual departments and used for improvement across different business units and the group in total. We also measure the response rate to confirm that the results are representative. This enables an effective follow up of our progress in different areas ranging from collaboration between teams to inclusion of our employees and clarity in tasks performed.

The Pulse survey is available to all employees, also those who may be particularly vulnerable. The survey is developed in an inclusive and accessible way to ensure that the communication is understandable to different groups within the own workforce. Reference is also made to the Code of Conduct specifically mentioning the fundamental human rights in our own operations and within our own workforce including particularly vulnerable or marginalized groups.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

DISCLOSURE OF PROCESSES IN PLACE TO PROVIDE FOR OR COOPERATE IN RE-

MEDIATION OF NEGATIVE IMPACTS ON PEOPLE IN OWN WORKFORCE THAT THE UNDERTAKING IS CONNECTED WITH, AS WELL AS CHANNELS AVAILABLE TO RAISE CONCERNS AND HAVE THEM ADDRESSED

XXL maintains an open Whistleblowing policy where everyone is encouraged to report concerns or complaints regarding any infringement towards ethics, company norms or legislation. Reported issues are managed by an external Ethics and Compliance Officer (ECO). Safety measures are in place to ensure protection and confidentiality of the whistleblower. If an initial examination reveals that a report is notably founded, further internal investigations are initiated with feedback provided to the reporter.

The XXL Whistleblowing Policy asserts that every report made in good faith is protected from any form of retaliation. All filed reports are processed by the external Ethics and Compliance Officer (ECO). The ECO conducts an initial investigation to establish the validity of the report and in case of founded reports, triggers internal investigations. After examining the report, a statement is forwarded to the relevant senior executive who, in consultation with line managers and HR Business Partner, determines sanctions, if any. Feedback on the progress of the investigation is provided to the person who

filed the report, ensuring transparency and accountability. The procedures ensure effective remedies for material negative impacts on its workforce.

The whistleblowing channels at XXL are managed both in-house and through third-party mechanisms. Reports of alleged concerns, violations, or complaints can be made through the XXL Whistleblowing Channel, supported by an IT-system operated by Walor ApS, an independent third party. This system guarantees the safety and security of the data, without logging IP addresses and machine-IDs, and ensures encryption of all processed data. Only XXL's external Ethics and Compliance Officer (ECO) has access to these reports. Additionally, questions about the Whistleblowing Policy or the Whistleblowing Channel can be directed to the company's in-house team at compliance.officer@xxl.no. The Whistleblowing policy applies to a wide spectrum of individuals such as current and previous employees, managers, volunteers, and customers.

XXL Whistleblowing Policy includes tracking and monitoring measures to ensure the effectiveness of the procedure. The initial examination of the report is conducted and feedback is provided within a 3-month maximum period. All recorded documentation is deleted 2 years post-case conclusion, in accordance with GDPR provisions, protecting individual data while maintaining accountability and transparency. The whistleblowing process is included as part of the e-learning completed by all employees.

XXL promotes an open speak-up culture among its workforce through its Whistleblowing Policy. This facilitates a

safe and confidential avenue for employees and associated individuals to report any infringements of applicable legislation, censurable conditions, or breaches of ethical norms. Our policy is to protect individuals who report from retaliation, with the goal of boosting their confidence and trust in this process. Any updates regarding their reports are communicated to them, ensuring complete transparency. They can also directly address all queries regarding the policy to the compliance officer.

XXL has instituted stringent policies to protect individuals from retaliation when they utilize the whistleblowing channels to raise concerns. This means that even if the concern or complaint reported turns out to be untrue, no sanctions or retaliatory actions will be taken against the person reporting. This protection extends not only to existing and previous employees but also managers, job applicants, trainees, volunteers, self-employed persons, shareholders, board members, persons working under XXL contractors or suppliers, and customers. The reports can be shared either openly or anonymously and will be kept strictly confidential, in accordance with prevailing legislation.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

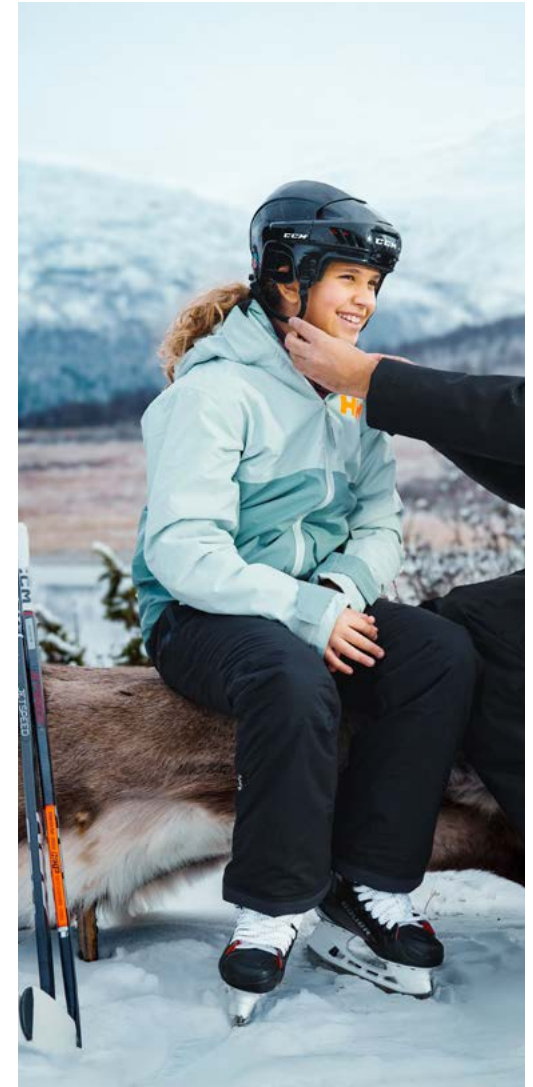
XXL has set clear targets for own workforce and the related actions are planned to be further detailed and operationalized in 2025. Details on actions and resources related to the targets will therefore be disclosed in the 2025 annual report due to the need for proper anchoring in the structured program reporting established in 2025.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

DISCLOSURE OF PROCESS FOR SETTING TIME-BOUND AND OUTCOME-ORIENTED TARGETS

Participants from the entire organization (30+ total) has been involved in the target setting process across all material sustainability topics. The targets have been approved by the Senior Management Team and the Board of Directors. Representatives from our own workforce are engaged directly in tracking performance against targets and identifying lessons or improvements. These are followed up through a structured program reporting ensuring both performance against targets and discussions of lessons learned. The program includes top management and relevant responsible parties for the different targets.

The targets set for S1 Own Workforce are set based on the objective of the policy framework in our Code of Conduct and is also embedded in our overall XXL Sustainability Policy (also referencing the XXL Code of Conduct). It includes material IROs of secure employment, diversity,



violence and harassment, health and safety, training and personal development. It includes the XXL own operations, and the workers included in the definition of own workforce. We have assumed that the company progresses in line with the ambitions set in our Reset & Rethink strategy and in line with the assumptions used in the Financial Statements. The targets related to our own workforce are aligned with national and international policy goals and are consistent with applicable legislation as stated in our Code of Conduct. We have established the targets during 2024, and we therefore do not report on the proress of each target.

The work with targets and action plans will be followed up as part of a structured program reporting to the Senior Management Team in XXL. To ensure completeness and proper anchoring of our actions going forward we will integrate this work across the organization and into the OGSM framework for the relevant departments.

DEVELOP AND RETAIN TALENTS IN OUR ORGANIZATION

The target is to decrease the rate of employee turnover to 20 % by 2030.

The baseline year from which progress is measured is 2024 with a corresponding baseline value of 34.83%.

IMPROVE EQUAL PAY FOR EQUAL WORK

The target is to increase the percentage for gender pay gap to 100 % by 2030, implying no difference between genders based on a set interval within each role.

The baseline year from which progress is measured is 2024

with a corresponding baseline value of 91%.

NO VIOLENCE AND HARASSMENT IN THE WORKPLACE

The target is to decrease the total number of incidents of discrimination, including harassment, reported in the reporting period to 0 # by 2030.

The baseline year from which progress is measured is 2024 with a corresponding baseline value of 7.

NO CRITICAL WORK-RELATED INJURIES

The target is 0 critical work-related injuries as a result of direct injuries and work-related ill health.

The baseline year from which progress is measured is 2024 with a corresponding baseline value of 0.

INCREASE LEARNING INITIATIVES

The target is to increase Average number of training hours per employee to 2.01 hours/head count by 2030.

The baseline year from which progress is measured is 2024 with a corresponding baseline value of 0.75 hours per head count.

BE LEADING IN OUR INDUSTRY WITH REGARDS TO SICK LEAVE

The target is to decrease the number of days lost to sick-leave to 5 % by 2030.

The baseline year from which progress is measured is 2024 with a corresponding baseline value of 6.7 %.

IMPROVE DIVERSITY AND GENDER BALANCE

The target is to increase the gender balance to 45 % by 2030.

The baseline year from which progress is measured is 2024 with a corresponding baseline value of 42.7%.

Summary

Target name	MDR-T Baseline value (decimal)	MDR-T Baseline year (decimal)	End target
Develop and retain talents in our organization (turnover rate)	34.83	2024	20 (2030)
Improve Equal Pay for equal work (gender pay gap)	91.34	2024	100 (2030)
No violence and harassment in the workplace (confirmed cases)	7	2024	0 (2030)
No critical work-related injuries (confirmed cases)	0	2024	0 (2030)
Increase learning initiatives (average training hours per employee [%])	0.75	2024	2.01 (2030)
Be leading in our industry with regards to sick leave (sick leave [%])	6.7	2024	5 (2030)
Improve Diversity and Gender Balance (gender balance [%])	42.7	2024	45 (2030)

S1-6 – Characteristics of the undertaking's employees

Gender	Number of employees (head count)
Female	1805
Male	2415
Other gender	0
Not reported	0
Total number of employees	4220

Country*	Number of employees (head count)
Finland	651
Norway	2239
Sweden	1328

Metric	Total
Rate of employee turnover (%)	34.83

Total number of employees at the end of the period, as an average across the period, and the number of employees that have left during the reporting period	Total
Total number of employees by the end of the reporting period (head count)	4220
Total number of employees as an average across the reporting period (head count)	4401
Total number of employees who have left in the reporting year (head count)	1533

	Female	Male	Other(*)	Not disclosed	Total
Total number of employees	1805	2415	0	0	4220
Number of permanent employees (head count / FTE)	1566	2130	0	0	3696
Number of temporary employees (head count / FTE)	130	196	0	0	326
Number of non-guaranteed (head count / FTE)	109	89	0	0	198
Number of full-time employees (head count / FTE)	644	1054	0	0	1698
Number of part-time employees (head count / FTE)	1161	1361	0	0	2522

	Finland	Norway	Sweden	Total
Total number of employees	651	2239	1328	4220*
Number of permanent employees (head count / FTE)	633	2112	949	3696
Number of temporary employees (head count / FTE)	18	126	182	326
Number of non-guaranteed (head count / FTE)	0	1	197	198
Number of full-time employees (head count / FTE)	229	874	593	1698
Number of part-time employees (head count / FTE)	422	1365	735	2522

*Switzerland has 2 full-time employees, but is not included in the tables due to fewer than 50 employees.

REPORTING PRINCIPLES

For the calculations for metrics in our own workforce we have used head count at the end of the reporting period. To calculate the employee turnover, we have used new employees and turnover by employment type in XXL's consolidated activities and significant location of operation. Employee turnover rate includes resignations, retirements and manning reductions of all permanent employees. All XXL employees have contractual agreements and secure employment. XXL also has non-employees such as external consultants to perform work, mostly related to headquarter administrative functions. The data reported for total number of employees by head count is consistent with the number reported in the financial statements (reported as FTE in note 3). The metrics have not been subject to validation from an external body.

S1-8 – Collective bargaining coverage and social dialogue

Coverage Rate	Collective Bargaining Coverage		Social Dialogue
	Employees - EEA	Employees - Non-EEA	Work representation (EEA only)
0-19%	Norway		
20-39%			
40-59%			
60-79%			
80-100%	Finland - Sweden		Finland - Norway - Sweden

REPORTING PRINCIPLES

Our employees in XXL Sport & Vildmark AB, XXL Sports & Outdoor OY (excl. warehouse managers) and Central Warehouse Norway is covered by collective bargaining agreements. Salary processes for our employees in XXL Sport og Villmark AS and XXL Grossist AS (excl. Central Warehouse Norway) seek to align with the collective agreement processes and overall levels of salary and benefits.

Metric	Total
Percentage of total employees covered by collective bargaining agreements (%)	48.22



S1-9 – Diversity metrics

Metric	Total
Gender distribution at top management level (head count)	3 (100%)
Female (head count)	0 (0%)
Male (head count)	3 (100%)
Other gender (head count)	0 (0%)
Not reported (head count)	0 (0%)

REPORTING PRINCIPLES

Top management corresponds to the top management reported in our Remuneration Report.

Metric	Total
Distribution of employees (head count)	4220 (100%)
< 30 years (head count)	2531 (59.98%)
30-50 years (head count)	1534 (36.35%)
> 50 years (head count)	155 (3.67%)

S1-10 – Adequate wages

All employees are paid an adequate wage in line with applicable benchmarks. The minimum wage set in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council. Data on wages are based on local payroll systems, and the average salary per gender per job level is calculated based on real paid out amount through 2024.

S1-13 – Training and skills development metrics

Metric	Total
Percentage of employees that participated in regular performance and career development reviews (%)	23.32
Female (%)	23.32
Male (%)	23.31
Other gender (%)	0
Not reported (%)	0

Metric	Total
Average number of training hours per employee (hours/head count)	12.77
Female (hours/head count)	13.07
Male (hours/head count)	12.55
Other gender (hours/head count)	0
Not reported (hours/head count)	0

REPORTING PRINCIPLES

The reported values are based on actual numbers of finished performance and career development reviews in 2024. To calculate the split between genders we have used the overall percentage of total employees. For training hours, the collected data are reported from the different departments across the organization, as well as registered numbers in our system.

S1-14 – Health and safety metrics

Metric	Total
Percentage of employees in own workforce covered by a health and safety management system (%)	100

NUMBER OF FATALITIES AS A RESULT OF WORK-RELATED INJURIES AND WORK-RELATED ILL HEALTH

Metric	Total
Number of fatalities as a result of work-related injuries and work-related ill health (#)	0
People in own workforce (#)	0
Other workers on the undertaking's sites (#)	0

Metric	Total
Number of recordable work-related injuries (#)	79

Metric	Total
Rate of recordable work-related injuries (#injuries/million hours worked)	18.23

Metric	Total
Number of days lost to sick-leave (days)	45279.25*

*Metric relates to target to reduce sick-leave with corresponding value of 6,7 %.

REPORTING PRINCIPLES

Reported cases are based on input data in our management system for incidents from the different countries of operation. For data on sick-leave we have utilized actual data from our HR management system.



S1-16 – Compensation metrics (pay gap and total compensation)

Metric	Total
Gender pay gap (%)	8.66

Metric	Total
Annual total remuneration ratio	25.18

REPORTING PRINCIPLES

Data on gender pay gaps are based on local payroll systems, includes all employees and the average salary per gender per job level is calculated based on real hourly wage in 2024. The percentage for gender pay gap reported in 2023 was 97% (3%). The annual total remuneration ratio is the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual).



S1-17 – Incidents, complaints and severe human rights impacts

TOTAL AMOUNT OF FINES, PENALTIES, AND COMPENSATION FOR DAMAGES AS

Metric	Total
Total number of incidents of discrimination (#)	7

Metric	Total
Number of complaints filed through channels for people in own workforce to raise concerns (#)	46

RESULT OF REPORTED INCIDENTS AND COMPLAINTS

Metric	Total
Total amount of fines, penalties, and compensation for damages as result of reported incidents and complaints (NOK)	0

REPORTING PRINCIPLES

The values are included based on cases and incidents reported to and handled by the XXL Compliance Officer through the whistleblowing channel or through more direct contact points. Please refer the section about the whistleblowing channel for more detailed information regarding the process. The categorization of cases, including incidents of discrimination, is performed by the XXL Compliance Officer based on the internationally recognized standards referenced in our XXL Code of Conduct. For cases of discrimination, we have reported the number of confirmed cases including harassment as a specific form of discrimination. There have been no severe human rights incidents in 2024. No fines, penalties, and/or compensation for damages has occurred for the reporting year of 2024.

ESRS S2

Workers in the value chain

WHY IT MATTERS

XXL recognizes the critical importance of promoting and protecting workers' rights throughout our value chain. As a major player in the sporting goods industry and with a value chain that stretches across a large part of the world, it is crucial to ensure that our business partners operate with integrity.

Index

(OO) Own Operations
(UVC) Upstream Value Chain
(DVC) Downstream Value Chain

Short-term 0-1 year
Medium-term 1-5 years
Long-term >5 years

Please see our topical sections for more information on impacts, risks and opportunities.

S2

Workers in the Value Chain

Type of impact and where they occur	Material impact, risk or opportunities	Description	Time horizon	IRO
Impact:				
Negative impact (UVC)	Workers' human rights	If the XXL way of working does not support an inclusive and fair value chain this could affect the workers' human rights and unfavorable employment terms	Medium-term	S2.1
Negative impact (UVC)	Workload and low resource capacity	High workload, reduced worklife balance and shortage of human resources lead to health issues and low morale.	Medium-term	S2.2
Risk:				
Human rights (UVC)	Supplier breach of contractual agreements on human rights and labor rights commitments.	Breach of international conventions on fundamental human rights and labor rights in the value chain that result in termination of supplier agreements can affect the product availability and reduce sales.	Medium-term	S2.3
Compliance risk (UVC)	Regulatory environment	Changes in political and regulative landscape for value chain management may impose increased costs on XXL due to higher monitoring costs of fees.	Medium-term	S2.4
Reputational risk (OO)	Public perception	Risk of reputational damage that can affect consumer trust and confidence in the brand if non-conformity with international workers rights.	Medium-term	S2.5
Opportunities:				
Responsible brand (OO)	Consumer trust	By working structurally with supplier engagement and unique supplier relationships regarding workers rights and working conditions, XXL can increase the customer base by building a responsible and attractive brand that consumers trust.	Medium-term	S2.6
Upskilling (UVC, OO)	Profitability	Creating shared value through upskilling in the supply chain. Increased quality and durability requires skilled workers throughout the value chain.	Medium-term	S2.7

S2–SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

DESCRIPTION OF MATERIAL IMPACTS RESULTING FROM THE MATERIALITY ASSESSMENT

XXL is depended on the value chain and associate workers to operate as a sports retailer in the Nordics. Our suppliers and the respective workers are connected to our business model through the purchase of products that we sell in our stores. We engage with suppliers that enable us to keep our ethical standards across our entire value chain. Fair working conditions and respect for human rights is a key priority when engaging with new suppliers and subsequently a crucial matter to our entire business model and strategy. Our material impacts, risks and opportunities arise from our business model as a retailer. We are dependent on materials and products being produced in other parts of the world where labour regulations are likely to be weaker which may lead to negative impacts on the workers in our value chain.

To foster a culture of transparency and accountability, we encourage open communication across all levels of our organization and our supply chain. Our external Whistle-blowing Channel, prominently accessible on the XXL web-site, is designed for use by anyone—employees, suppliers, business partners, or other external stakeholders—who wishes to report violations or concerns related to workers' rights. These inputs are invaluable to identify actual and potential impacts on value chain workers, and subsequently



to develop our strategy and business model based on these factors.

Workers in XXL's value chain are found both upstream and downstream. For the upstream value chain workers are found in the process of raw material extraction, manufacturing and assembly, transportation. The majority of XXL's upstream value chain workers are located in Southeast Asia where most of XXL's upstream activities take place. The International Trade Union Confederation categorises several of the countries with this region as countries where there are no guarantees of worker's rights or where there are systematic violations of the rights. Thus, there is a greater risk of child labour, forced labour or compulsory labour in these areas. Furthermore, there are risks of violations on the freedom of association, the right to collective bargaining and free speech. Especially vulnerable workers are trade unionists, migrant workers, women and young workers.

For our downstream value chain workers are found in the activities related to distribution and transportation, rentals, service providers or technical and IT solution providers. Majority of these workers are located with the Nordics and Europe. As a region, Europe has a lower reported number

of reported violations of worker's rights. Within the downstream value chain, we find the risk of discrimination, harassment, violations on the right to strikes, collective bargaining and risk of exclusion from trade unions and trade union activities. Especially vulnerable workers are migrant workers and young workers.

XXL has developed an understanding of value chain workers with particular characteristics, working in particular contexts, or undertaking particular activities may be at greater risk of harm through our stakeholder analysis engaging with different suppliers. We also utilize input through our integrity due diligence work to inform about especially exposed groups as well as factory audits and site visits.

Description of material risks and (or) opportunities resulting from materiality assessment

The relationship between material risks and opportunities arising from impacts and (or) dependencies on value chain workers and strategy and business model is closely linked. We aim to work with responsible suppliers and supplier breaches of human rights can lead to risks of both reputational damage and reduced product availability, which in turn can reduce our sales. On

the contrary, a well-managed and efficient supply chain dependent on skilled workers can save cost and improve the trust of our customers and subsequently improving our sales. XXL's governance structure, including the oversight by our Board of Directors and senior management, ensures that our commitment to workers in the value chain is deeply embedded in our corporate strategy and operational practices. The risks and opportunities identified through our double materiality assessment is included in our strategy work.

S2-1 – Policies related to value chain workers

MINIMUM DISCLOSURE REQUIREMENTS FOR POLICIES RELATED TO VALUE CHAIN WORKERS (ESRS 2 MDR-P)

Policies and Procedures	Key content and objective	Responsible	IRO
Supplier Code of Conduct	This policy provides extensive guidelines for the suppliers of XXL regarding their operations, including understanding and commitment to the code, compliance management, reporting violations, respecting human and labour rights, maintaining environmental responsibility, health, safety, and security in the workspace, privacy rights, data protection, protecting animal welfare, product safety, and adherence to various legal and ethical standards.	Approved by the Board of Directors	S2.1 - S2.6

The process for monitoring adherence involves requiring suppliers to establish a compliance management system to facilitate regular self-evaluations of their facilities and operations. Suppliers may be subject to review by XXL or a third-party designated by XXL to ensure they meet compliance standards. Violations of the Supplier Code may lead to the termination of the business relationship.

The scope of the XXL Supplier Code of Conduct includes all of XXL's suppliers and their subcontractors or affiliates, consultants, landlords, agents, service providers and organizations. This encompasses business activities conducted upstream in the value chain, such as supplying goods and services. The Code obliges all suppliers to abide by the principles contained within it, respecting internationally proclaimed human and labour rights, adopting environmentally responsible business practices, and conducting business



with integrity. Geographically, the policy is applicable wherever the suppliers operate, and compliance with local laws and regulations is mandated. The protocol seeks to protect affected stakeholder groups including employees, managers, and other relevant individuals in the supplier's operations.

The XXL Supplier Code of Conduct commits to various third-party standards and initiatives as guides for policy implementation. These include the fundamental human and labour rights outlined by the United Nations Convention on Human Rights and the International Labour Organisation's declaration. They also refer to the risk management practices recommended by the Organisation for Economic Co-operation and Development's guidelines for Multinational Enterprises. Additionally, the Code recognises the importance of conforming to national laws such as Norwegian Transparency Act and potential future legal frameworks like the proposed EC Directive on corporate sustainability due diligence. Lastly, regarding animal welfare, they adhere to the "Five Freedoms" as defined in the EC Directive 98/58/EC.

The development of the XXL Supplier Code of Conduct takes into consideration the interests of key stakeholders including suppliers, vendors, consultants, property owners, agents, service providers, intermediaries, and others. These stakeholders play pivotal roles in the business functions of XXL. The Code aims to initiate dialogue and cooperation for the stakeholders to respect and align with these standards. It also includes monitoring, reviewing, and assessment processes to manage stakeholders' adherence and foster



continuous improvement activities. The Code establishes the direct link between suppliers' commitment to it and their ongoing relationship with XXL.

The XXL Supplier Code of Conduct is made available to potentially affected stakeholders and those responsible for its implementation through contract negotiations and is a requirement to sign. In this document, suppliers can get detailed guidance regarding the policies, their application, and the consequences of non-compliance. The document also serves as an agreement between XXL and its suppliers, which once signed, forms a binding contract that suppliers and their subcontractors, affiliates, and others must abide by. Should the requirements differ from local laws, suppliers are expected to comply with the highest standard. Thus, the policy forms an integral part of the supplier-business partner relationship. The policy is also available openly on the company website to any potentially affected stakeholder.

DESCRIPTION OF RELEVANT HUMAN RIGHTS POLICY COMMITMENTS RELEVANT TO VALUE CHAIN WORKERS

XXL has adopted a Supplier Code of Conduct that aligns with UN Guiding Principles on Business and Human Rights, the ILO

Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. No cases of non-respect to the mentioned instruments have been reported. Suppliers are obligated to comply with all applicable laws, regulations, and internationally proclaimed human and labour rights. The XXL Supplier Integrity Due Diligence Survey forms an integral part of supplier selection, systematically tracking suppliers' adherence to these standards. Regular reviews and open dialogue are utilised to assess improvements in legal and ethical business conduct and sourcing practices. All suppliers are required to have a compliance management system to facilitate adherence to these standards and to engage in continuous improvements related to human rights.

The XXL Supplier Code of Conduct mandates providers to respect human rights, adhere to all relevant laws and regulations, and act with integrity. Suppliers are also required to demonstrate a commendable compliance record, including issues related to human rights impacts. Suppliers are required to establish an effective grievance system, allowing employees or stakeholders to report concerns. In case of breaches of international conventions on fundamental human rights and labour rights, the supplier

shall promptly pay, as appropriate, fees either directly to labour contractors or other providers of labour, or promptly reimburse the effected worker. There is a zero-tolerance policy towards retaliation for whistleblowing.

The XXL Supplier Code of Conduct explicitly addresses issues of trafficking, forced labour, compulsory labour, and child labour under their commitment to Fundamental Human Rights and Labor Rights. The supplier code specifically disallows any form of forced, bonded or involuntary labour and requires suppliers to ensure no child labour which is defined by the ILO Convention No. 138. It mandates the suppliers to have appropriate measures in place to ensure that no child labour occurs at their or subsidiary contractors' locations and expects immediate actions to resolve such situations with the best interest of the child considered.

S2-2 – Processes for engaging with value chain workers about impacts

DISCLOSURE OF GENERAL PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS AND THEIR REPRESENTATIVES ABOUT ACTUAL AND POTENTIAL IMPACTS

The XXL Supplier Code of Conduct underlines the necessity for suppliers to exercise responsible business conduct and human rights, including the welfare of workers in the value chain. The suppliers are expected to set clear goals towards these principles and have appropriate compliance management systems in place. These systems would identify operational risks and ensure continuous improvement in areas like fair wages, health and safety, and anti-discrimination practices. The supplier's employees are encouraged

to report any unacceptable conditions, with no tolerance for retaliation, thereby providing a mechanism for worker perspectives to inform decision-making. Violations to the code could lead to termination of the business relationship, demonstrating the weight given to worker welfare.

Engagement happens through dialogue, assessments, surveys, and audits aimed at ensuring compliance with the guidelines set out in the Code of Conduct. In 2024 representatives from XXL have attended site visits in China to ensure proper follow up of impacts, risks and opportunities in the XXL value chain. As mentioned, Southeast Asia is an important geography in the XXL value chain and retaining a good relationship with our suppliers and the legitimate representatives of the workers in the value chain is crucial.

Engagement with suppliers occurs at multiple stages - during the supplier selection process, upon joining XXL's supplier base, and continually throughout the business relationship. The engagement comprises affirmation of compliance adherence, integrity due diligence surveys, adherence mapping, and periodic compliance evaluations. The frequency of engagements depends on the circumstances and potential risks identified, but reviews for lawful and ethical business conduct, and responsible sourcing practices are consistently carried out. Clear communication and open dialogues are encouraged with the suppliers, fostering a commitment to responsible conduct in an improvement-oriented manner.

XXL assesses the effectiveness of its engagement with its value chain workers through periodic evaluations of its



facilities and operations. These evaluations also extend to subcontractors and affiliates contributing to XXL's products and services. The purpose of these evaluations is to ensure compliance with local laws and the XXL Supplier Code of Conduct in the value chain. The supplier engagement effectiveness is also judged based on factory audits performed by third party engaged by XXL. The result reports send clear signals on the value chain workers working conditions and gives insight into the effectiveness of our engagement. These evaluations include child labour, pollution and protective gear to mention a few. Whistleblowing systems play a crucial role in the feedback mechanism, allowing concerns to be aired freely.

XXL INTEGRITY DUE DILIGENCE ASSESSMENT

XXL is required to do Integrity Due Diligence assessment through the Norwegian Transparency Act. The Supplier Integrity Due Diligence Survey is used to map and assess suppliers' adherence to regulations, establish better communication, and identify potential barriers. The Integrity Due Diligence Assessment is based on a questionnaire including 37 statements that address risk areas within 4 categories: Compliance Management System, Fundamental Human and Labor Rights, Health & Safety, and Anti-corruption. Each statement has its own risk rating based on severity and vulnerable workers as migrant workers, children and women are being paid specific attention to through the questionnaire.

In the event of discrepancy, follow up plans are made in co-operation with the supplier and measures for improvement must be committed and time-bound. In cases where the

suppliers or business partners, despite systematic follow-up and clear expectations are not able to document or otherwise substantiate that they comply with XXL's requirements and standards, will be sanctioned. Sanction measures will be considered in each individual case, including indemnifications or damages for non-economic loss.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

DISCLOSURE OF PROCESSES IN PLACE TO PROVIDE FOR OR COOPERATE IN REMEDIATION OF NEGATIVE IMPACTS ON VALUE CHAIN WORKERS THAT THE UNDERTAKING IS CONNECTED WITH, AS WELL AS CHANNELS AVAILABLE TO RAISE CONCERNS AND HAVE THEM ADDRESSED

XXL necessitates its suppliers to honour all relevant international human and labour rights. The Supplier Code of Conduct outlines stringent rules for behaviour and practices. It also states that suppliers must have effective management systems to ensure compliance and the ability to rectify any deficiencies promptly. Violations or discrepancies could be reported through whistleblowing and there are policies against retaliation. Therefore, should there be any material negative impact on value chain workers, the established processes within the Supplier Code of Conduct are designed to handle such complaints, implement appropriate corrective measures and potentially terminate the alliance with the offending supplier.



The XXL Supplier Code of Conduct has established a remedial system for addressing any significant negative impacts on its value chain workers. It features a grievances system for workers and stakeholders to report concerns or complaints, with transparent procedures in place for handling such submissions. The XXL Whistleblowing Channel is openly accessible to all parties, including value chain workers. The reported concerns are handled by the Ethics and Compliance Officer and remediating actions are based on the assessment of the report. The process to handle reported cases and the subsequent assessment to terminate the business relationship with the supplier is considered effective.

XXL operates the whistleblowing channel available to workers in the value chain through Walor ApS and under the supervision of the Compliance Officer. The XXL Supplier Code of Conduct does state that suppliers should have their grievance system that allows workers or other stakeholders to report concerns or complaints.

XXL Supplier Code of Conduct establishes an infrastructure for responsible dialogue and grievance systems for its value chain workers. This structure encourages reporting censurable conditions via proper channels, verbally or in writing, anonymously or openly, enabling their concerns or needs can be safely addressed. Even though XXL does not measure the trust of value chain workers in these structures in separate surveys or the like, these defined procedures facilitate that workers along the value chain are aware of these processes and can trust their effectiveness.

Taking action and setting targets on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

Targets and action plans for S2 Workers in the Value Chain are planned to be developed in 2025 and will be disclosed in the 2025 annual report. Based on our prioritization, targets and action plans for S2 Workers in the Value Chain was decided to be developed in 2025.



ESRS S4

Consumers and end-users

WHY IT MATTERS

We recognize that as a major player in the Nordic sporting goods market and constant interaction with a great number of consumers and end users we leave a footprint across our main markets. Product safety, customer satisfaction and inclusion are key topics where XXL has great impact. With the purpose of “Sports unite all”, XXL is dedicated to providing equipment for the sports and outdoor market, enabling customers of all backgrounds to take part in sports and outdoor recreation. Our mission has a positive impact on our customers through improvement of the public health and enabling social inclusion and community through sports and outdoor activities.

Index

(OO) Own Operations
(UVC) Upstream Value Chain
(DVC) Downstream Value Chain

Short-term 0-1 year
Medium-term 1-5 years
Long-term >5 years

Please see our topical sections for more information on impacts, risks and opportunities.

S4

Consumers and End Users

Type of impact and where they occur	Material impact, risk or opportunities	Description	Time horizon	IRO
Impact:				
Positive impact (DVC)	Public health	Availability and affordability of sport and recreational equipment is anchored in XXLs core values and is defined as a driver of positive impact on the public human health.	Short-term	S4.1
Positive impact (DVC)	Inclusion	Including different societal classes in sports and outdoor activities will enable a more diverse and including society	Short-term	S4.2
Negative impact (OO, UVC, DVC)	Data privacy	Securing that personal customer data is handled with care to ensure that personal information is not misused in a way that harms individuals	Medium-term	S4.3
Risk:				
Marketing and communication (DVC, OO)	Greenwashing	Misleading and inaccurate information on products, brands and activities and their sustainable attributes may lead to greenwashing and consumer distrust.	Medium-term	S4.4
Legal (DVC, OO)	Secure products	Legal risks from non-compliance with consumer protection laws regarding sale of safe products	Medium-term	S4.5
Opportunities:				
Increased market share (OO)	Consumer demands	Capturing market share by meeting consumer demand for products meeting their expectation to value for money, quality, durability and functionality.	Medium-term	S4.6
Loyalty (DVC, OO)	Transparent and responsible marketing	Fostering consumer loyalty through transparent and responsible marketing offering great value and customer satisfaction resulting in recurring sales	Medium-term	S4.7

S4–SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

DESCRIPTION OF MATERIAL IMPACTS RESULTING FROM THE MATERIALITY ASSESSMENT

XXL is actively implementing strategic measures, such as the “Reset & Rethink” plan, to improve market position and customer experience. Actual and potential impacts are derived from our value chain mapping, stakeholder analysis and overall assessment of the XXL strategy and business model. XXL takes proactive measures to mitigate negative impacts on consumers, aiming to ensure transparency in marketing and communication to prevent misinformation and build consumer trust. Our efforts extend to enhancing product longevity and promoting public health through accessible and affordable sporting goods.

We are currently serving the markets in Norway, Sweden and Finland and continue to invest in customer experience enhancing projects, both in-store and on its E-commerce platform, indicating a strategic focus on improving our work on material impacts, risks and opportunities. Our strategy contributes to a positive impact through an inclusive culture, enabling different societal classes to be involved in sports and outdoor activities. This is also heavily linked to our purpose focusing on “Sports Unite All”. Generally, all our impacts originate from our strategy and business model as product safety and data privacy concerns are an integral part of how we work.

Our consumers and end users are those purchasing our products at our physical locations or online, and the subsequent users of these products. This ranges between all age groups and genders, as well as customers across the Nordic region. With regards to vulnerable groups, we see that younger customers can be especially exposed to impacts concerning health. Additionally, minority groups can be exposed to impacts concerning data privacy due to discrimination, and product information concerns can be especially relevant to groups with disabilities or physical challenges. Instances of the abovementioned impacts are mostly related to individual incidents as compared to more widespread occurrences.

DESCRIPTION OF TYPES OF CONSUMERS AND END-USERS SUBJECT TO MATERIAL IMPACTS

XXL has developed an understanding of how consumers and end-users with particular characteristics may be at greater risk of harm through our stakeholder analysis engaging with a broad group of consumers and end users. We also utilize input through our customer service operations to inform about especially exposed groups. XXL puts great emphasis on product safety and has a rigorous set of guiding documents to ensure safety of exposed groups. Cases that impact our customers negatively largely contribute to adjusting our business model and corporate conduct to ensure strict rules with regard to product safety.

DESCRIPTION OF MATERIAL RISKS AND (OR) OPPORTUNITIES RESULTING FROM THE MATERIALITY ASSESSMENT

The relationship between material risks and opportunities arising from impacts and (or) dependencies on consumers

and end-users and strategy and business model is closely linked. XXL is actively implementing strategic measures, such as the “Reset & Rethink” plan, to improve market position and customer experience. The risks and opportunities identified through our double materiality assessment is included into our strategy work. XXL is dependent on customer trust and remains committed to ensure that our products are safe, and that our communication with regards to sustainability related matters are correct and accurate. Our focus on quality information and responsible marketing practices is an integral part of our business and a necessity to uphold the relationship with our customers. All of our material risks and opportunities arise from impacts and dependencies on our consumers and end users.



S4-1 – Policies related to consumers and end-users

MINIMUM DISCLOSURE REQUIREMENTS FOR POLICIES RELATED TO CONSUMERS AND END-USERS (ESRS 2 MDR-P)

Policies and Procedures	Key content and objective	Responsible	IRO
Code of Conduct	The key contents of the XXL Code of Conduct policy include understanding the code and its application, maintaining commitment to compliance and integrity, promoting ethics, guidelines for employee behaviour, rules for reporting violations, and maintaining transparency. The policy also includes rules regarding anti-corruption and bribery, fair competition, acting with integrity, respecting human rights, safeguarding assets and information, and managing conflicts of interest.	Approved by the Board of Directors	S4.1 - S4.7
Supplier Code of Conduct	This policy provides extensive guidelines for the suppliers of XXL regarding their operations, including understanding and commitment to the code, compliance management, reporting violations, respecting human and labour rights, maintaining environmental responsibility, health, safety, and security in the workspace, privacy rights, data protection, protecting animal welfare, product safety, and adherence to various legal and ethical standards.	Approved by the Board of Directors	S4.1
Product compliance and safety framework	The framework provides guidance on product compliance and safety regulations. XXL has developed these documents to function as a helpful overview of all legislation concerning environmental and human health issues for products sold at XXL	Approved by the Board of Directors	S4.3, S4.5

Please refer to the coverage of the ESRS 2 MDR-P for the XXL Code of Conduct under ESRS S1. XXL also deploys a comprehensive framework on product compliance and safety. The policy framework is openly available to all consumers and end users on the XXL company website.

The XXL Code of Conduct effectively addresses the related impacts, risks and opportunities and covers all consumers and end users. The orientation towards compliance and integrity can lead to long-term value creation and increased trustworthiness. Our product safety framework sets the groundwork for addressing the risks of insecure products, potentially leading to injuries and sickness for our customers. Additionally, the emphasis on equal opportunities, non-discrimination, data privacy, transparent and responsible marketing and zero tolerance for retaliation fostering a positive and inclusive environment for our customers is handled by our Code of Conduct. The inclusion of our purpose of “Sports Unite All” is also a key factor to increase public health and inclusion. The Code of Conduct, in addition to our framework for product safety, includes all material impacts, risks and opportunities related to S4 Consumers and End Users as shown in the IRO overview.

DESCRIPTION OF RELEVANT HUMAN RIGHTS POLICY COMMITMENTS RELEVANT TO CONSUMERS AND/OR END-USERS

XXL is dedicated to upholding the principles of the UN Guiding Principles on Business and Human Rights, ILO Declaration and OECD Guidelines. We use an integrated Ethics & Compliance Framework that includes additional policies and guidelines, alongside thorough training programmes for new hires and ongoing employees alike, to ensure that the

customer rights are complied with. We exhibit a firm commitment to human and labour rights, complying with international conventions and establishing safeguards to minimise rights violations. To monitor conformance, our Compliance Governance process specifies the roles and responsibilities for the implementation and application of the Code.

XXL is committed to upholding fundamental human rights and labour rights as highlighted in the Code of Conduct. The company recognises each individual's unique value and urge that all interactions are based on mutual trust, respect and dignity. Non-compliance to standards of personal conduct such as harassment and discrimination are strictly prohibited. XXL is transparent in our business operations, supporting the rights of all customers to express their thoughts and report violations without fear of retaliation.

Moreover, XXL respect privacy rights by collecting, storing and using personal information only for defined business purposes, enabling these actions to comply with applicable laws and regulations. We respect and protect our consumers' privacy rights, ensuring the collection, storage, and use of personal information aligns with defined business purposes. XXL commits to the General Data Protection Regulation (GDPR) for safeguarding personal data.

The company adheres to global trade compliance regulations along with pertinent anti-money laundering legislation. In terms of corruption, XXL complies with both national and international anti-corruption laws. Hence, the company's policies demonstrate an alignment with internationally recognised instruments promoting ethical and lawful operations.

S4-2 – Processes for engaging with consumers and end-users about impacts

DISCLOSURE OF GENERAL PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS AND THEIR REPRESENTATIVES ABOUT ACTUAL AND POTENTIAL IMPACTS

At XXL, the perspectives of consumers and end-users are central to our operations and decision-making. These insights guide us in managing our services to align with consumer needs, expectations and potential impacts on them. We strive to earn the trust of our shareholders, customers, employees, and stakeholders. This also helps us to mitigate potential negative impacts, ensuring continual enhancement of customer satisfaction and loyalty.

XXL engage with consumers and end-users through different channels and frequency. Our customer service is operated by our own customer service team and customers are encouraged to report on a case-to-case basis. We also conduct customer surveys to ensure that we receive input from our customer base. We also send out newsletters and other relevant information to our XXL members that reached 4 million in 2024. Additionally, the XXL Whistleblower Channel is open and available for consumers and end users. XXL encourages customers to utilize the abovementioned channel to provide feedback.

At XXL, the operational responsibility for engagement with consumers and end-users is held by multiple senior roles. However, the Group CEO holds the ultimate responsibility for ensuring this engagement is effective and informative.

Specific operational domains such as product development, marketing, and customer service each have a dedicated senior manager to ensure user engagement. They design strategies and monitor trends. The insights drawn from consumer interactions play a significant role in forming the company's approach to business conduct, as mentioned in section 3.1 about 'Speak-up Culture' where our customers shall feel safe and comfortable asking questions or raise concerns. Furthermore, the Ethics and Compliance Officer (ECO) and Ethics and Compliance Associates (ECA) ensure that all interactions conform to the code of conduct. The collaborative efforts across these roles create a system of consumer engagement.

At XXL, we assess the effectiveness of our customer engagement through several initiatives. We conduct regular customer satisfaction surveys and feedback mechanisms on our channels, and use these inputs to improve our offerings and service. Our data-driven approach assists us in understanding our customer behaviours, needs and preferences. We monitor our customer service standards for quality assurance and compliance.

XXL is dedicated to being an inclusive company that respects and values the perspectives of all our customers. Specifically, we work with organisations that represent women, migrants, and people with disabilities to better understand their specific needs and preferences. We also have provisions in place to assist customers with disabilities in our physical and online stores. Our goal is to ensure our products and services are accessible, relevant and beneficial to all, promoting greater inclusivity and diversity in the sports and outdoor sector.



S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

DISCLOSURE OF PROCESSES IN PLACE TO PROVIDE FOR OR COOPERATE IN REMEDIATION OF NEGATIVE IMPACTS ON CONSUMERS AND END-USERS THAT THE UNDERTAKING IS CONNECTED WITH, AS WELL AS CHANNELS AVAILABLE TO RAISE CONCERNS AND HAVE THEM ADDRESSED

XXL is committed to ethical business conduct and transparency and has established systems to provide remedy in case of negative impacts on consumers. These include compliant management protocols, open communication channels for feedback and a strict adherence to local legislations concerning consumer rights and protection. In case of any material negative impact on consumers, prompt and appropriate action is taken to rectify and remedy the situation in accordance with local laws and regulations. The XXL Code of Conduct clearly outlines zero tolerance for any non-compliance with ethical guidelines or violation of laws and regulations. This relates to product safety and cases of injuries; product deficiencies or customers otherwise being harmed by unsustainable marketing practices or customer service not in line with expectations.

As mentioned under ESRS S1, XXL has its own established channels for raising concerns and reporting violations, which include notifying immediate superiors, local Ethics & Compliance Associates (ECA), and the Chair of the XXL Board of Directors. The whistleblowing channel is also

available to customers as stated on the company website and explicitly stated in the whistleblowing channel itself. For further information regarding the channel, please refer to ESRS S1.

XXL's Code of Conduct fully supports protection against retaliation for individuals who raise concerns or needs. Any retaliation against individuals who, in good faith, report a violation or suspected violation is strictly prohibited, irrespective of whether the concern turns out to be groundless. This protection also covers any employee representative or safety delegate supporting the reporter or any other individuals involved. Any instances of perceived retaliation should be reported to the immediate superior or through other specified reporting channels. The whistleblowing channels promotes effective remedy of material impacts on our customers through the ability to raise concerns and have these assessed by an external party. Additionally, after the ECO has conducted all necessary investigations, including the contradiction meeting with the accused party(ies), the ECO will draft a Statement to be forwarded to the senior executive of the relevant XXL unit related to the customer's concern. To ensure effective remedy for the reporter, the executive will consult with the relevant line managers and HR Business Partner based on ECO's Statement, conclude the case, and decide appropriate sanctions, if any. Even though XXL does not measure the trust of our customers in these structures in separate surveys or the like, these defined procedures facilitates that the customers are aware of these processes and can trust in their effectiveness.



Taking action and setting targets on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Targets and action plans for S4 Consumers and End-users is planned to be developed in 2025 and will be disclosed in the 2025 annual report. Based on our prioritization, targets and action plans for S4 consumers and end-users was decided to be developed in 2025.



III. GOVERNANCE INFORMATION

ESRS G1 Business conduct

WHY IT MATTERS

XXL is committed to upholding the standards of business conduct, reflecting our dedication to ethical business practices, behavior, transparency, and accountability. This commitment includes every aspect of our operations, guiding our interactions with employees, suppliers, customers, and other stakeholders. XXL recognizes that as a major player in the sporting goods industry we have the opportunity to set standards with regards to business conduct in accordance with international regulations and stakeholder expectations. Our ambition is to develop practices and compliance structures ensuring that the way we conduct business adhere to these standards.

Index

(OO) Own Operations
(UVC) Upstream Value Chain
(DVC) Downstream Value Chain

Short-term 0-1 year
Medium-term 1-5 years
Long-term >5 years

Please see our topical sections for more information on impacts, risks and opportunities.

G1
Business Conduct

Type of impact and where they occur	Material impact, risk or opportunities	Description	Time horizon	IRO
Impact:				
Negative impact (OO)	Trust and stability	Practices that can undermine market trust and economic stability can affect our own employees and business partners negatively due to reduced job security and potential termination of partnerships.	Medium-term	G1.1
Negative impact (OO, UVC, DVC)	Protection of whistleblowers	Failure to protect whistleblowers will harm the affected parties, both the whistleblower and the company.	Medium-term	G1.2
Risk:				
Legal (OO)	Compliance	Legal risks associated with non conformity and breaches of local and international laws and regulations leading to fines or other financial sanctions	Medium-term	G1.3
Reputational (OO)	Public perception	Reputational risks associated with unethical behavior and non-conformity with legal requirements that could result in decreased sales	Medium-term	G1.4
Strategic (OO)	Public perception	Strategic risks if the company's conduct is not aligned with societal expectations and be subject to negative publicity in media affecting sales negatively.	Medium-term	G1.5
Opportunities:				
Differentiation (OO)	Good business conduct	Differentiation in the market through high standards of business conduct could lead to a good public perception and increase sales to customers concerned about responsibility.	Medium-term	G1.6
Financial stability (OO)	Ethical practices	Long-term financial stability and business sustainability through ethical practices with regards to corruption and bribery, including training of such themes.	Long-term	G1.7

The impacts, risks and opportunities are closely linked to our strategy and business model through our integrated work with responsibility both in our own operations and across our value chain. We are completely dependent on the trust of our stakeholders to continue our operations and provide a secure place for our employees and stability in our business relationships with suppliers. If we do not operate in accordance with the applicable legislation and our stated values in the Code of Conduct, we run the risk of losing out customers' trust, potentially resulting in reduced sales. On the other hand, if the company conducts business in a way that stands out from our competitors, we have the opportunity to capitalize on this through increased sales and customer loyalty.



G1-1 – Business conduct policies and corporate culture

MINIMUM DISCLOSURE REQUIREMENTS FOR POLICIES RELATED TO BUSINESS CONDUCT (ESRS 2 MDR-P)

Policies and Procedures	Key content and objective	Responsible	IRO
Code of Conduct	The key contents of the XXL Code of Conduct policy include understanding the code and its application, maintaining commitment to compliance and integrity, promoting ethics, guidelines for employee behaviour, rules for reporting violations, and maintaining transparency. The policy also includes rules regarding anti-corruption and bribery, fair competition, acting with integrity, respecting human rights, safeguarding assets and information, and managing conflicts of interest. The objective of the policy is to provide guidelines for the XXL employees and associated parties.	Approved by the Board of Directors	G1.1 - G1.7
Supplier Code of Conduct	This policy provides extensive guidelines for the suppliers of XXL regarding their operations, including understanding and commitment to the code, compliance management, reporting violations, respecting human and labour rights, maintaining environmental responsibility, health, safety, and security in the workspace, privacy rights, data protection, protecting animal welfare, product safety, and adherence to various legal and ethical standards.	Approved by the Board of Directors	G1.1 - G1.7

XXL establishes and promotes its corporate culture through the implementation of a comprehensive Code of Conduct based on the core values of customer-first, knowledgeable, passionate, and caring. The Code defines responsible business conduct and applies to all individuals acting on behalf of XXL, promoting a uniform culture across entities. The policy is a firm foundation for our business conduct and facilitates proper follow up of the material impacts, risks and opportunities of corruption, managing our relationships with suppliers, protection of whistleblowers and ethical practices throughout our value chain. Compliance with the Code is encouraged through a training program, company-tailored e-learning, and a Declaration of Compliance signed by employees. The culture is additionally developed through support for an open speak-up culture and a zero-tolerance policy for retaliation. To evaluate the adherence to this culture, reported concerns are responsibly investigated by the Ethics & Compliance Officer.

XXL has established our Code of Conduct based on the core values and ethical business principles. Aiming to achieve compliance and integrity, the company commits to observe all applicable laws, regulations, rules and any applicable collective agreements across various jurisdictions where we

operate. The company recognises policies and laws on fundamental human rights and labour rights, and anti-corruption and anti-bribery. Through our business activities, XXL aims to comply with national and international trade compliance regulations. These practices demonstrate XXL's commitment to respect third-party standards or initiatives. Please refer to the full coverage of the ESRS 2 MDR-P for the XXL Code of Conduct under ESRS S1.

DISCLOSURE OF HOW WHISTLEBLOWERS ARE PROTECTED AND THE ADOPTION OF POLICIES

XXL has established various internal channels to facilitate whistleblowing. Individuals within XXL can report to their superiors, their local Ethics and Compliance Associates (ECA), or directly to the Chair of the XXL Board of Directors. XXL also offers an external compliance service provider for internal reports. Additionally, a Whistleblowing Channel is accessible through the XXL website, facilitating anonymous reporting. All reports are treated with strictest confidentiality and are investigated by the assigned XXL Ethics and Compliance Officer (ECO). Violations of the Code, or suspicions thereof, whether observed or suspected, can be reported through these channels, offering a robust and comprehensive approach to ensure Code compliance.

XXL's Code of Conduct includes specific provisions for the protection of whistleblowers in alignment with Directive (EU) 2019/1937. XXL has developed specific practices and procedures to comply with the Norwegian Penal Code, the UK Bribery Act, and the U.S. Foreign Corrupt Practices Act. Further information and detailing on the whistleblowing channel, as well as the process for protection of whistleblowers and training on the matter, can be found in the S1 Own Workforce.

The XXL Code of Conduct outlines a specific framework for employee training on business conduct and ethics. All XXL board members, executives, employees, temporary personnel, consultants, and anyone acting on behalf of XXL are required to undergo this training. The training program focuses on the principles and requirements stated in the Code of Conduct, along with other supplementing guidelines. Training occurs as part of each individual's introduction to the company and is to be repeated at intervals determined by the Ethics & Compliance Officer. The frequency varies based on major adjustments in the CoC. Alongside general orientation, employees also take an Ethics & Compliance e-learning program.

The Supplier Code of Conduct by XXL states that all suppliers must comply with laws, regulations, and international directives on animal welfare. All materials derived from animals must originate from farms that adhere to the "Five Freedoms" outlined in the EC Directive 98/58/EC. These govern the treatment of animals, addressing that they are free from hunger, discomfort, pain, and distress, and are able to express normal behaviour. Suppliers need to perform

necessary tests at their expense, and XXL can cancel orders if products do not meet these standards. Compliance with these policies on animal welfare is an integral part of the supplier's responsibilities to XXL.



G1-2 – Management of relationships with suppliers

The XXL Supplier Code of Conduct insists on integrity in all business negotiations including honouring financial commitments such as payments within the stipulated timeframe. The document outlines that any breach of the code, which could include late payments, may lead to the termination of a business relationship. It encourages suppliers to maintain accurate records of all transactions and implies a commitment to legal and ethical business practices. Payment terms are also included in the master template for supplier agreements developed in 2024. For further description of our XXL supplier code of conduct and management of relationships with suppliers, we refer to the section under S2 Workers in the value chain.

G1-3 – Prevention and detection of corruption and bribery

XXL Anti-Corruption Guide sets forth procedures to prevent corruption and bribery. These include defining improper behaviours and conducting regular monitoring to ensure compliance. Employees are provided with detailed guidelines on a range of areas such as anti-corruption, bribery, facilitation payments, gifts and hospitality. The Guide also outlines 'red flag' situations to help staff detect potential issues and specify actions that they must take. Furthermore, staff members are encouraged to report any suspicions or concerns about potential breaches to their superiors, or through other reporting channels. The concerns are handled by the XXL Ethics & Compliance Officer who is responsible



for following up on these concerns and reports directly to the Board of Directors. The company also implements proper accounting and recording procedures to prevent falsification of financial records. XXL facilitates compliance with key laws like the Norwegian Penal Code, the UK Bribery Act, and the U.S. Foreign Corrupt Practices Act.

The XXL Anti-Corruption Guide is communicated to relevant individuals including employees, managers, board members, business partners, and representatives. It provides practical assistance, detailing definitions and obligations on various topics, such as anti-corruption, anti-money laundering, and procedures for gifts and hospitality. Upon encountering ethical dilemmas or issues understanding the content, concerned parties must consult their superior, the XXL Ethics & Compliance Officer (ECO), or their local Ethics & Compliance Associate (ECA). The Guide is openly available to all XXL employees, and its content is a key aspect of the Code of Conduct training on the e-learning platform. The intention is to ensure the policy is accessible, comprehensible, and actively utilized.

ANTI-CORRUPTION AND ANTI-BRIBERY TRAINING PROGRAMMES

The undertaking mandates a comprehensive anti-corruption and anti-bribery training programme in line with the XXL Anti-Corruption Guide principles. The training encompasses numerous topics, from understanding corruption and bribery, identifying red flags, understanding responsibilities to dealing with situations involving public officials, intermediaries, lobbyists and managing potential conflicts of interest. The training is immersive, thus going beyond mere theoretical knowledge, with emphasis on real-life scenarios, ethical dilemmas, and legal implications. All board members,

managers, employees and business partners are required to undertake and successfully complete this training.

The XXL Anti-Corruption Guide highlights that the guide serves as a practical tool to help these members comply with the principles and guidelines relating to XXL's anti-corruption policy. It outlines responsibilities, required actions, and provides clear instructions for reporting any concerns or infringements. Training on anti-corruption and anti-bribery is offered as part of the Code of Conduct training mandatory for all employees and includes interactive workshops and online courses. If faced with dilemmas, members are encouraged to contact their immediate superior or the XXL Ethics & Compliance Officer.

Metric	Total
Percentage of functions-at-risk covered by anti-corruption and anti-bribery training programmes (%)	100

REPORTING PRINCIPLES

"Functions-at-risk" is defined in line with the definition stated in the ESRS and means those functions deemed to be at risk of corruption and bribery as a result of its tasks and responsibilities. Based on XXL assessments, the group has not identified certain functions that are considered as specific functions-at-risk. Still, the XXL Code of Conduct mentions functions within the undertaking that could potentially be at risk in respect of corruption and bribery. These include employees, managers, board members, and temporary personnel, consultants and others who act on behalf of or represent XXL across its entities. Besides, areas involving business relations with suppliers and partners, as well as the engagement with public officials, are considered possible risk sources.

G1-4 – Incidents of corruption or bribery

During 2024 XXL has not had any breaches in procedures and standards of anti-corruption and anti-bribery. In compliance with the XXL Anti-Corruption Guide and Code of Conduct, any observed, suspected, or reported breaches in anti-corruption and anti-bribery standards and procedures are taken very seriously. This entails conducting prompt and comprehensive investigations into any allegations or red flags. As deemed necessary, suitable disciplinary actions are instituted, ranging from warnings to termination of employment for internal stakeholders, and termination of contracts for external partners. Further, to foster preventive measures, all incidents are compiled and evaluated regularly to improve existing guidelines and procedures. Legal consultation is also sought in serious cases, and incidents that violate the law are reported to authorities. Training and awareness programs are also reiterated or updated as part of preventive actions. The ultimate goal is to uphold integrity, transparency, and responsible business practices in all operations. As there has been no cases during the last year, XXL has not performed any actions to address breaching.

G1-6 – Payment practices

Metric	Total
Average number of days it takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated (days)	47

In 2024, we initiated a structured process to define new standard payment terms across our supplier base. Payment terms have been somewhat flexible, with significant variation depending on the supplier type and negotiation practices by our purchasing teams. This has resulted in supplier contracts ranging from as far back as 2004 to newly established agreements in 2025.

Currently, we have approximately 400 active suppliers, each with different payment terms based on their classification and the type of business relationship. For example, suppliers for own-brand products typically operate under Letter of Credit (LC) terms—both sight and time-based—or Cash Against Documents (CAD) terms. We are actively working on a clearer and more standardized payment policy moving forward. The new framework will outline specific default terms for each supplier category while limiting the scope of negotiation for individual agreements. This will facilitate greater consistency and transparency in our payment processes.

NUMBER OF LEGAL PROCEEDINGS CURRENTLY OUTSTANDING FOR LATE PAYMENTS

Metric	Total
Number of legal proceedings currently outstanding for late payments (#)	0



List of data points that derive from other EU legislations, with information on their location in the Sustainability Statement

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page and link to disclosure, if material
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 , Annex II		42
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		42
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				46
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		NOT MATERIAL
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		NOT MATERIAL
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181814 , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		NOT MATERIAL
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		NOT MATERIAL
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	61
ESRS E1-1 Brand Units excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		NOT MATERIAL

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page and link to disclosure, if material
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		64
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				66
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				66
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				66
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residouble maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		67
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		69
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	NOT MATERIAL
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		NOT MATERIAL

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page and link to disclosure, if material
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			NOT MATERIAL
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energyefficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			NOT MATERIAL
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		NOT MATERIAL
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				NOT MATERIAL
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				NOT MATERIAL
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				NOT MATERIAL
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				NOT MATERIAL
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				NOT MATERIAL
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				NOT MATERIAL
ESRS 2- SBM-3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				NOT MATERIAL

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page and link to disclosure, if material
ESRS 2- SBM-3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				NOT MATERIAL
ESRS 2- SBM-3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				NOT MATERIAL
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				NOT MATERIAL
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				NOT MATERIAL
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				NOT MATERIAL
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				76
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				77
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				NOT MATERIAL
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				NOT MATERIAL
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		92
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21				Delegated Regulation (EU) 2020/1816, Annex II	92
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				92
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				92

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page and link to disclosure, if material
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				95
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		100
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				NOT MATERIAL
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		101
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				101
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				101
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		NOT MATERIAL
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				103
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				104
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				104
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		104
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		104

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page and link to disclosure, if material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				NOT MATERIAL
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				NOT MATERIAL
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		NOT MATERIAL
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				NOT MATERIAL
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				111
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		111
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				NOT MATERIAL
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				117
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				117
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		120
ESRS G1-4 Standards of anticorruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				120

Responsibility Statement

The Board of Directors and the CEO have today considered and approved the integrated report for XXL ASA ("Company") and the XXL Group ("Group") for the 2024 calendar year and as of 31 December 2024.

We confirm to the best of our knowledge that:

- the consolidated financial statements of the Group for 2024 have been prepared in accordance with IFRS® Accounting Standards as adopted by EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- the financial statements of the Company for 2024 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that
- the information presented in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and result for the period.

- the Integrated Report 2024 gives a true and fair view of the development, performance and financial position of the Company and Group, and includes a description of the principal risks and uncertainties that they face, and that
- the Integrated Report meets the information requirements of the Norwegian accounting act with regard to the Board of Directors Report and statements on corporate governance for 2024, and that
- the 2024 Sustainability statements have been prepared in accordance with and meets the information requirements of the Norwegian Accounting Act § 2-6 (European Sustainability Reporting Standards) and the EU taxonomy regulation (Article 8 of EU Regulation 2020/852).

Oslo, 28 April 2025

Board of Directors, XXL ASA

Oslo,
28 April 2025

Signed

Björn Einar Håkan Lundstedt
Chairman of the Board

Signed

Tor Andrin Jacobsen
Board Member

Signed

Tom Christian Jovik
Board Member

Signed

Kari Ekelund Thørud
Board Member

Signed

Kjell-Arne Fikerud
Board Member

Signed

Petra Elisabeth Axdorff
Board Member

Signed

Kine Skjønberg Ludvigsen
Board Member

Signed

Ronny Blomseth
Board Member

Signed

Freddy Sobin
Managing Director

Corporate Governance

1. Implementation and reporting on corporate governance

XXL believes that good corporate governance contributes to the best possible value creation and trustworthiness over time for all shareholders, the capital markets and for other key stakeholders. In order to secure strong and sustainable corporate governance, it is important to ensure good and healthy business practices, reliable financial reporting and an environment of compliance with legislations and regulations across the XXL Group.

The Norwegian Corporate Governance Board has for companies listed on the Oslo Stock Exchange issued the Norwegian Code of Practice for Corporate Governance (the “Code of Practice”). The Code of Practice is available on www.nues.no and was last amended on 14 October 2021. XXL compliance and details are included in this report with section numbers that refer to the Code of Practice’s articles. XXL’s corporate governance policy is based on the Code of Practice, and as such designed to establish a basis for good corporate governance, to support the achievements of the Group’s core objectives.



XXL has governance documents setting out principles for how business should be conducted. These apply to all XXL units. The XXL governance regime is approved by the Board of Directors, which has the overall supervision for corporate responsibility at XXL and ensures that the Group implements sound corporate governance principles. The Board of Directors revises the governance documents on a yearly basis.

Deviation from the Code of Practice (NUES) - none

2. Business - XXL's objectives and activities

XXL believes good corporate governance involves openness and trustful cooperation between all stakeholders in the Group – the owners, the Board of Directors and the Executive Management, employees, customers, suppliers, creditors, public authorities, capital markets and society in general.

By pursuing the principles of corporate governance, the Board of Directors and Executive Management shall contribute to achieving the following objectives:

- Openness – communication with the interest groups of XXL shall be based on openness in issues relevant to the evaluation of the development and position of the company.
- Independence – the relationship between the Board of Directors, the Executive Management and the owners

shall be based on independence. Independence shall ensure that decisions are made on an unbiased and neutral basis.

- Equal treatment – one of XXL's objectives is equal treatment and equal rights for all shareholders.
- Control and management – good control and corporate governance mechanisms shall contribute to achieving predictability and reducing the level of risks for owners and other interest groups.

XXL's vision is to be the preferred sports and outdoor destination in the Nordics. This is reflected in the Section 3 of the Articles of Association, which reads "The Company's business operation is trade business within sport and wilderness products and other business operations that are naturally related therewith. The business can be conducted by the company itself, by subsidiaries or through participation in, or in cooperation with, others".

XXL is committed to interact in an open and responsible way with all the relevant stakeholders to be able to create a profitable business over time. Our corporate governance policies are designed in order to be true to this commitment, including the achievement of sustainable profitability for the stakeholders of XXL.

The Board of Directors set clear ambitions for the coming year during the strategy process as well as in the budgeting for each year. Long term objectives, strategies and the risk profile are also evaluated annually or as necessary in

connection with major events or structural changes during the year. Included in this is also the sustainability work of the Group, which is linked to the overall strategy, based on a broad double materiality analysis, and reported yearly in the integrated annual report.

Deviation from the Code of Practice (NUES) - none

3. Equity and dividends

The company's equity should continuously be at a level appropriate to XXL's objectives, strategy and risk profile.

The total share capital of the Company at year end 2024 was NOK 985,429,800 divided into 19,991,380 ordinary shares (class A shares) and 4,644,365 non-voting shares (class B shares), in total 24,635,745 shares, each with a nominal value of NOK 40. XXL commenced a reverse share split in July 2024, please see - <https://newsweb.oslobors.no/message/624136>

In Q1 2025 a rights issue of NOK 600 million at NOK 10 per share in XXL ASA was concluded, also approving to reduce the share capital to NOK 2,463,574.50 and the nominal value per share from NOK 40 to NOK 0.10.

Long term XXL has a dividend policy with a target pay-out ratio of 40-50 per cent of annual net income. When proposing a dividend the Board of Directors will take into account legal restrictions, financing and bank agreements, capital requirements and the overall financial position of the Company. The Board of Directors will make an overall assess-

ment in order to secure the Company a healthy capital base both for daily operations and for future growth. Dividend payments are subject to approval by the General Meeting. XXL paid no dividends in 2024.

Authorization to increase the share capital of the Company will be restricted to defined purposes and will in general be limited in time to no longer than the time of the next Annual General Meeting. If the authorization is for different purposes, the Company will present the authorizations to the shareholders as separate items. Authorizations to acquire own shares will also be restricted to defined purposes and if the acquisition is for several purposes, the Company will present the authorization as separate items to the shareholders. Such authority will state the maximum and minimum amount payable for the shares and applies for no longer than the time of the next Annual General Meeting. The aggregate nominal value of treasury shares acquired by the Company must not exceed 10 percent of the total outstanding shares in the company.

In the Annual General Meeting held on 4 June 2024, the Board of Directors was granted authorization to increase the share capital of the Company by a maximum of NOK 190,228,811.60 representing up to 20 per cent of the share capital at that time. The purpose of the authorization is for general financing and strengthening of equity. The authorization is valid until the Annual General Meeting in 2025, but no longer than to 30 June 2025.

The Board of Directors was also granted authorization to increase the share capital of the Company by a maximum of NOK 47,557,203.20 representing up to 5 per cent of the

share capital at that time. The purpose of the authorization is to secure delivery of shares under the Company's share incentive programs. The authorization is valid until the Annual General Meeting in 2025, but not later than 30 June 2025.

The Board of Directors has also been granted authorization to repurchase the Company's own shares within a total nominal value of NOK 47,557,203.20 corresponding to up to 5 per cent of the Company's share capital at that time. The main purpose of the authorization is to acquire own shares in order to use such shares in connection with XXL's share incentive programs. To the extent the shares are not required for the share incentive program after all, the shares shall be deleted in connection with a later reduction of the registered share capital. The maximum amount that can be paid for each share is NOK 500 and the minimum is NOK 10, when taking into consideration the reverse share split as described under section 3. The authorization is valid until the Annual General Meeting in 2025 but not later than 30 June 2025.

The two above mentioned authorizations must be viewed in connection so that the total utilization of both authorizations combined does not exceed 5 per cent of the Company's share capital.

Further, the Board of Directors was granted authorization to repurchase the Company's own shares within a total nominal value of NOK 47,557,203.20 corresponding to up to 5 per cent of the Company's share capital at that time. Shares



in XXL acquired in accordance with this authorization are planned in order to optimize the Company's share capital structure. The maximum amount that can be paid for each share is NOK 500 and the minimum is NOK 10, when taking into consideration the reverse share split as described under section 3. The authorization is valid until the Annual General Meeting in 2025, but no longer than 30 June 2025.

Lastly, the Board of Directors was granted authorization to repurchase the Company's own shares within a total nominal value of NOK 47,557,203.20 corresponding to up to 5 per cent of the Company's share capital at that time. Shares in XXL acquired in accordance with this authorization are planned for potential use as consideration shares with regards to acquisition of other businesses. The maximum amount that can be paid for each share is NOK 500 and the minimum is NOK 10, when taking into consideration the reverse share split as described under section 3. The authorization is valid until the Annual General Meeting in 2025, but no longer than 30 June 2025.

XXL held 64 own shares in treasury at the end of the year 2024, related to settlement of restricted share units program for employees.

In Q1 2024 XXL executed a private placement directed towards the 3 largest shareholders of NOK 0.70 per share and raised gross proceeds of NOK 500 million, to strengthen the liquidity of the Group. The private placement was approved by an extraordinary general meeting on 12 April 2024. More information about the private placement can be found on <https://newsweb.oslobors.no/message/614225> including equal treatment considerations. XXL commenced a subsequent offering for all remaining shareholders in June 2024, please see <https://newsweb.oslobors.no/message/620967>

Deviation from the Code of Practice (NUES)
- none

4. Equal treatment of shareholders

Equal treatment of all our shareholders is core in how XXL approaches corporate governance. XXL has two classes of shares, A and B. Each class A share carries one vote, while the class B shares have no voting rights. Save for the above the class A shares and the class B shares rank *pari passu* and give equal rights to dividends and other distributions, and all other rights.

Any holder of class B shares can at any time request the exchange of, and exchange, any or all of its class B shares into class A shares (ref. Section 4-1 (2) of the Norwegian Public Limited Liability Companies Act) by notifying the Company, provided that such exchange does not result in the holder, taken together with close associates of the holder (as defined in Section 2-5 of the Norwegian Securities Trading Act), exceeding a shareholding of one-third of the total number of outstanding class A shares.

Notwithstanding the above, a holder of class B shares may request the exchange of, and exchange, class B shares into class A shares if the holder has already triggered a mandatory offer obligation under the Norwegian Securities Trading Act and publicly announced that it intends to put forward a mandatory offer, provided that such mandatory offer has not been completed at the time of the request for exchange.

Shareholders are required to adhere to the above exchange regulations at their own risk, and the Company has no obligation to monitor, consider or express any opinion in this respect. The exchange ratio shall be 1:1, so that each class B

share shall be exchangeable into one class A share.

In the event the Company resolves to carry out a rights offering of class A shares or other issuance of class A shares or other equity instruments with preferential rights for holders of class A shares, the Company shall also carry out a corresponding rights offering of class B shares or other issuance of class B shares or other equity instruments with preferential rights for the holders of class B shares at the same offer price, allowing each holder of class B shares to subscribe for class B shares and such other equity instruments in order to maintain its *pro rata* shareholding in the Company and preserve the value of the exchange right.

The Company shall as soon as practicably possible following receipt of a request for an exchange of class B shares into class A shares implement such exchange by procuring registration of the relevant amendments with the Norwegian Register of Business Enterprises and the issuance of the new class A shares in the securities depository. Further, the Company shall ensure that the new class A shares as soon as practicably possible become listed and tradeable at the stock exchange(s) and other regulated market place(s) on which the other class A shares are listed. Such exchange of class B shares to class A shares was commenced on 8 August 2024 – please see <https://newsweb.oslobors.no/message/624760>



Where the Board of Directors resolves to carry out an increase in the share capital and waive the pre-emptive rights of the existing shareholders on the basis of a mandate granted to the Board of Directors, an explanation will be publicly disclosed in an announcement to the stock exchange in connection with the increase of the share capital.

XXL has established instructions for handling inside information, rules for primary insiders and insider trading which are closely monitored.

Any transaction the Company carries out in its own shares will be carried out either through the stock exchange or at prevailing market prices if carried out in any other way. Such transactions will be publicly disclosed in a stock exchange announcement immediately.

Deviation from the Code of Practice (NUES) – none

5. Shares and negotiability

The shares in both classes of shares are freely transferable. Upon a transfer of class B shares to a transferee who is not a close associate of the holder (as defined in Section 2-5 of the Norwegian Securities Trading Act), the relevant class B shares shall be exchanged for class A shares, except (at the election of the transferor) for a transfer to a third party acquirer in a mandatory tender offer.

There are no provisions in the Company's Articles of Association that limit the right for class A shares to own, trade or vote for those shares in the Company. The Articles

of Association do not provide for any restrictions on the transfer of class A shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

Deviation from the Code of Practice (NUES) – none

6. General meetings

Through the General Meeting, shareholders exercise supreme authority in the Company. In accordance with Norwegian law, the Annual General Meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of Annual General Meetings, setting forth the time of the venue and the agenda, to be sent to all shareholders with a known address no later than 21 days before the Annual General Meeting, unless the Articles of Association stipulates a longer deadline, which is not currently the case for the Company.

Apart from the Annual General Meeting, Extraordinary General Meetings of shareholders may be held if the Board of Directors considers it necessary. An Extraordinary General Meeting must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5 per cent of the share capital demands this in writing. The requirements for notice to the Annual General Meeting also apply to Extraordinary General Meetings.

According to the Articles of Association, documents related to matters addressed at the Company's General Meeting, including documents which by law shall be included in or

A shareholder may vote at the General Meeting either in person or by proxy appointed at their own discretion. In accordance with the requirements of the Norwegian Securities Trading Act, the Company will include the proxy form with the notice of General Meetings. Furthermore, the Company will appoint a person, normally the Chairman of the Board of Directors, who may act as a proxy holder for the shareholders. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the General Meeting, or who have otherwise reported and documented ownership to shares, are entitled to participate at General Meetings, without any requirement of pre-registration. The General Meetings are hosted as digital meetings. The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the General Meeting. The Board of Directors can establish specific guidelines for such advance voting. The established guidelines must be stated in the notice of the General Meeting.

The Chairman of the Board of Directors and the Chairman of the Nomination Committee, the Group CEO and CFO as well as the auditor will under normal circumstances be present at the General Meeting in person. Other members of the Board of Directors and subcommittees are entitled to attend when necessary.

The General Meeting elects the members of the Board of Directors, members of the Nomination Committee, determines the remuneration of the members of the Board of Directors and the members of the Nomination Committee, approves the annual accounts and the annual report, including distribution of dividend, and any other matters which are referred

to the General Meeting by law or the Articles of Association.

Decisions that shareholders are entitled to make under the Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. Certain decisions, including resolutions to waive pre-emptive rights to subscribe in connection with any share issue in the company, to approve a merger or demerger of the company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the company or to authorize the Board of Directors to purchase shares and hold them as treasury shares or to dissolve the company, must receive the approval of at least two-third of the aggregate number of votes cast as well as at least two-third of the share capital represented at a General Meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association. Decisions that would reduce the rights of some or all of the company's shareholders in respect of dividend payments or other rights to assets or restrict the transferability of the shares, require that at least 90 percent of the share capital represented at the General Meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association. There are no quorum requirements that apply to the General Meetings.

The minutes from the General Meeting, as well as the register of participants at the General Meeting, will be posted on the Company's website no later than 15 days after the General Meeting was held, but generally as soon as possible after the end of the meeting. Information that a General Meeting has been held will also be made public through a stock exchange announcement as soon as possible after the end of the meeting.

The Annual General Meeting of 2024 was held on 4 June 2024. In addition, the Company hosted an Extraordinary General Meeting on 12 April 2024, related to the private placement as described in section 3 above, as well as an Extraordinary General Meeting on 28 November 2024, related to a potential rights issue which later was approved and commenced in Q1 2025.

Deviation from the Code of Practice (NUES) – none

7. Nomination committee

XXL has established a Nomination Committee pursuant to the Articles of Association and shall consist of two or three members who are shareholders or representatives of shareholders. The majority of the members should be independent of the Board of Directors and the Executive Management. Currently the Nomination Committee consists of three members, Øistein Widding (Chairman), Thomas Aanmoen and Christian Berg. The Nomination Committee shall give recommendations for the election of shareholder elected members of the Board of Directors, remuneration to the members of the Board of Directors including remuneration



for subcommittees, the election of members to the Nomination Committee and remuneration to the members of the Nomination Committee. The General Meeting may adopt instructions for the Nomination Committee.

XXL has established an instruction for the Nomination Committee, which includes recommendations for the tasks described above. When nominating members to the Board of Directors, the Nomination Committee should look at competence and diversity, legal requirements, independence from any significant business associates, at least two of the members of the Board of Directors should be independent of the Company's principal shareholders and that members of the Executive Management should not be members of the Board of Directors. Remuneration of the Board of Directors should take into account the responsibility of the Board of Directors and that the proposal is suited to the character and time commitment of the tasks it carries out. According to the instruction for the Nomination Committee a certain amount of the annual remuneration is to be used to invest in the Company. The recommendations from the Nomination Committee will be explained.

The Nomination Committee must look actively to the shareholders in order to try to ensure that its recommendations have their support. In its work the Nomination Committee will monitor the need for changes to the composition of the Board of Directors and will pay specific attention to the annual appraisal report for the Board of Directors. In addition, the Nomination Committee will perform individual discussions with the members of the Board of Directors as well as the Group CEO. It must ensure that information is made available on the Company's website of any deadlines for proposing candidates or making suggestions to the Nomination Committee regarding elections of members to the Board of Directors and Nomination Committee. The recommendations should be given together with the notice of the General Meeting.

Deviation from the Code of Practice (NUES) – none

8. Board of Directors – composition and independence

XXL's Board of Directors shall consist of a minimum of three and a maximum of seven shareholder elected members according to the decision of the General Meeting. In addition, the Board of Directors has employee elected representatives. Currently the Board consists of five shareholder elected members and three employee elected representatives. The Board of Directors is responsible for the management of the Company, including the appointment of the CEO to assume the daily management of the company. The composition of the Board of Directors in XXL ASA is in compliance with the independence requirements meaning that the majority of the shareholder elected members of the Board of Directors is independent of the Company's Executive Management and material business contacts. At the same time all the shareholder elected members of the Board of Directors are independent of the Company's main shareholders with one exception, meaning shareholders holding more than 10 percent of the total outstanding shares in the Company. In the Company's view all the shareholder elected members of the Board of Directors are independent from the Executive Management and material business contacts. Members of the Executive Management should not be a member of the Board of Directors. The term of office for members of the Board of Directors is a maximum of two years, but a member may be re-elected. Information regarding each individual member of the Board of Directors could at all times be found on the Company's website as well as in the Annual Report.

The members of the Board of Directors are encouraged

to own shares in the company. Please see note 3 in the consolidated financial statement for the overview of share ownership and detailed background of the members of the Board of Directors.

Deviation from the Code of Practice (NUES) – none

9. The work of the Board of Directors

The conduct of the Board of Directors follows the adopted Board of Directors' rules of procedure, which states that the board members should perform their duties in a loyal manner, attending to the interests of the company. The Board of Directors prepares a plan for the ordinary meetings for each calendar year. The Board of Directors will meet several times a year and it will host additional meetings when required due to special circumstances. Between meetings, the chairman and the CEO have frequent contact on current matters and update the board members accordingly. The board meetings ensure that the Group's activities are organized in a prudent manner, maintaining systems, procedures and a corporate culture that promote high ethical conduct and in compliance with legal and regulatory requirements. Each board meeting includes a briefing by the CEO and a review of the latest financial development by the CFO. The Board of Directors keeps itself informed of the financial position of the company to ensure that the corporate accounts and asset management are subject to satisfactory controls.

The chairman of the Board of Directors ensures that board members are kept informed, convene and chair the board meetings and ensure that the matters are handled in

accordance with applicable law and procedures. In the case of the chairman's absence, the Board of Directors elects a board member to chair the meeting. If the chairman of the Board of Directors is, or has been, personally involved in matters of material significance to the company, such matters will be chaired by some other member of the Board of Directors. A member of the Board of Directors or the CEO could not participate in the discussion or decision of issues of such special importance to the member in question or to any closely related party to that said member.

The Board of Directors' rules of procedure include instructions on how the Board of Directors and the Executive Management handle agreements with related parties and whether an independent valuation must be obtained. There have been no significant transactions between the Company and closely related parties in 2024. If XXL should enter into agreements or transactions with closely related parties within the Company, or with companies in which a leading director or leading employee of XXL or close associates of these have a material direct or indirect interest, the agreements or transactions will immediately be notified to the Board of Directors. Any such agreements or transactions must be approved by the Board of Directors and be publicly disclosed if required. In the event of an agreement or transaction between the Company and closely related parties, the Board of Directors will arrange for an independent valuation overview from an independent third party, unless the agreement or transaction requires an approval of the General Meeting. Any such agreements will also be disclosed in the Annual Report.

For further information on closely related transactions,

please see note 10 in the consolidated financial statements.

The Board of Directors has established a Remuneration Committee and an Audit Committee. The Remuneration Committee shall have at least two members of the Board of Directors and comprises for the time being of two members, Håkan Lundstedt (chairman) and Petra Axdorff. The primary purpose of the Remuneration Committee is to assist the Board of Directors in performing its duty relating to determining the compensation to the Executive Management. The Remuneration Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations. The Audit Committee shall compose of at least two members of the Board of Directors and the current members are Tom Jovik (chairman) and Kari Thørud. The primary purposes of the Audit Committee are to act as a preparatory and advisory committee for the Board of Directors in questions concerning accounting, audit and finance, including sustainability and CSRD-reporting. The Audit Committee monitors the financial reporting process and internal control, reviews the independent auditor's qualifications and independence and the Group's compliance with applicable legal and regulatory requirements. The Audit Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

The Board of Directors carries out an annual evaluation of its performance. The evaluation report for the year 2024 has been presented to the Nomination Committee.

Deviation from the Code of Practice (NUES) - none

10. Risk management and internal control

The Board of Directors supervises the daily management and the activities and risks of the Company in general. XXL's risk management and internal control are an integral part of all daily business activities and are integrated in the business planning processes and corporate strategy. The day-to-day risk management is placed on the business segments and governed by the Executive Management team.

The Board of Directors carries out separate reviews of the most important risk exposures. The Audit Committee monitors on an ongoing basis the risk and control related to the financial situation including review and implementation of accounting principles and policies, the effectiveness of the Company's internal control, internal audit and risk management system. The Audit Committee has full access to all books, records and personnel of the Group, as well as the external auditor of the Company.

Instructions for the CEO's responsibilities and duties have been implemented by the Board of Directors to clarify the powers and responsibilities between the Board of Directors and the Executive Management team. The CEO has the right to represent the Company within the adopted budget and is responsible for implementing the resolutions adopted by the Board of Directors. It is the CEO's responsibility that the Company's bookkeeping and accounting are performed in accordance with the law and that the management of the company's assets is conducted safely. The Board of Directors ensures that the CEO uses proper and effective management and control systems, including systems for

risk management. The internal control systems also encompass the company's corporate values, ethical guidelines and corporate social responsibility.

XXL operates internationally and is exposed to various financial risks such as currency risk, interest rate risk, liquidity risk and credit risk. The CFO has the day-to-day responsibility for managing activities related to this. In order to manage foreign currency risk exposure, XXL hedges approximately 50 per cent of its purchases of own produced goods (private label products). The Group is exposed to interest rate risk through its financial activities. The interest-bearing debt has floating rates, which means it is affected by changes in interest rates. XXL monitors liquidity flows, short- and long-term, through reporting and forecasting, that better control the liquidity risk. The management of credit risk related to trade and other receivables is handled as part of business risk. The Group mitigates this risk by ensuring that all parties requiring credit, such as customers, are approved and subject to credit check. Procedures are in place to ensure that sales are made with customers who have not had significant problems with payment and the outstanding amount does not exceed the established credit limits. XXL has agreements with third parties related to recoverability of trade receivables from online sales and supplier bonuses.

In order to comply with the arm's length principle as stated in applicable standards and laws and to maintain good control, XXL has established transfer pricing policy. The main purpose of this policy is to ensure that all significant intra-group transactions are priced in accordance with the arm's length principle and relevant domestic tax regimes. It ensures a simple, coherent and logical transfer pricing methodology, and consistency and transparency on how

the intra group prices are set and tested. It further minimizes the risk of double taxation and captures any relevant and significant issues and need for revisions.

The Group's accounting unit is responsible for the preparation of the financial statements and to ensure that they are in accordance with applicable laws, regulations and adopted accounting policies. The CFO and the controller functions are responsible for reporting to the Board of Directors and the Executive Management, as well as planning and coordinating the business plan process. The finance department prepares financial reporting and provides a set of procedures and processes detailing the requirements with which the local reporting units must comply. The Group has established processes that will ensure quality assurance in the financial reporting. The Group is reporting to the Board of Directors on a monthly basis. Several controls are established such as reconciliation, segregation of duties, management review and authorization. All monthly and quarterly reports are analysed and assessed relative to budgets, forecasts, trends and the long-term business plan. The Executive Management comments on the financial results on a quarterly basis and the results are announced on the Oslo Stock Exchange.

The external auditor provides a description of the main elements in the audit, including opinions on internal control related to financial reporting. XXL is subject to a yearly external statutory audit.

XXL Board of Directors has also implemented ethical procedures in the company, subject to all employees and the members of the Board of Directors. These documents

contain the basic principles of business practice, personal conduct, roles and responsibilities, covering topics including employee relations, anti-corruption, health, environment, human rights, anti-discrimination, handling business information, insider information, conflicts of interest, fair competition, money laundering.

Deviation from the Code of Practice (NUES) - none

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors will be proposed by the nomination committee and approved by the Annual General Meeting. The remuneration is a fixed annual fee and is not linked to the company's performance. It reflects the responsibility, qualifications, time commitment and complexity of the Company's activities in general and also separate fees for participation in committees of the Board. Shareholder elected members are considered for investing in the XXL management investment program, and none of them (or any company associated with such members) have specific assignments for the Company in addition to their duties as Board members.

The Annual General Meeting decided that parts of the remuneration to the shareholder elected members of the Board of Directors are subject to being invested in shares in the Company or in the XXL management investment program. This means that shareholder elected members of the Board of Directors shall utilize 1/3 of their annual gross board fee (excluding any fee for committee work) to purchase shares

in XXL until they (including their related parties) own shares in XXL at a value equivalent to two times their gross board fee (excluding any fee for committee work). These shares must be retained as long as the member serves on the Board of Directors.

For more information please see note 3 in the consolidated financial statements.

Deviation from the Code of Practice (NUES) - none

12. Remuneration of executive personnel

XXL Board of Directors has established a Remuneration Committee with a set of instructions for the Committee to follow. The Committee acts as preparatory and advisory body to the Board of Directors in relation to the Company's remuneration of Executive Management. The Board of Directors determines the remuneration of the CEO based on a proposal from the Remuneration Committee and approves the general terms of the Company's incentive plans for the Executive Management and key employees. The CEO determines the compensation to other members of XXL's Executive Management.

In accordance with the Norwegian Public Limited Companies Act, a statement related to the determination of salary and other benefits for the Executive Management will be prepared by the Board of Directors. The statement will be presented to the Annual General Meeting for voting and the statement will also be a separate appendix in the notice to the Annual General Meeting.

The Board of Directors has established guidelines for the remuneration to the CEO and members of the Executive Management. It is a policy to offer competitive remuneration based on current market standards, company and individual performance. The remuneration consists of a basic salary element combined with a performance-based bonus program. The Executive Management participates in the Company's insurances and is entitled to certain other elements like benefits upon termination, internet access and phone expenses. Executives on expatriate contracts have various other costs covered by the Company. The annual salary adjustment for employees in Norway forms the basis for the XXL's Executive Management salary development. Members of the Executive Management do not receive separate remuneration for board membership in XXL subsidiaries.

The Group has established a bonus scheme for the Executive Management, which is based on elements such as the Group's results before tax exceeding the budget and certain KPIs. Under the bonus scheme, members of the Executive Management may be awarded an annual bonus of up to 50 per cent of the respective employee's gross base salary. The annual bonus for Executive Management will be communicated by the Board of Directors each year. The Group does not include bonus payments in the basis for calculation of holiday pay and pension.

The Group has a defined contribution plan which covers all of XXL's employees.

The guidelines to be presented at the Annual General Meeting in June 2025 are disclosed in note 3 in the consolidated financial statements. For information on salary and other benefits for 2024 for the Executive Management see note

3 in the consolidated financial statements. For additional information about the pension plans see note 3 in the consolidated financial statements.

Deviation from the Code of Practice (NUES) - none

13. Information and communications

XXL's communication with the financial market is based on openness and equal treatment of all shareholders. Investor Relations is a high priority and the Board of Directors has established an Investor Relations policy to build trust and awareness in the investor community. The XXL corporate website (www.xxlasa.com) includes an updated financial calendar, financial reports, announcements, contact details and other Investor Relations information. XXL regularly hosts meetings with investors and analysts, participates in investor conferences and arranges regular presentations and roadshows. To ensure all stakeholders have equal access to information at the same time, important events affecting the company are reported immediately to the Oslo Stock Exchange in accordance with applicable legislation and also at the same time on XXL's corporate website.

Deviation from the Code of Practice (NUES) - none

14. Take-overs

In accordance with the Norwegian Securities Trading Act and the Code of Practice, the Board of Directors has adopted guiding principles for how to act in the event of a

take-over bid. The Board of Directors will not seek to hinder or obstruct any takeover bids. In a take-over process, the Board of Directors and Executive Management each have an individual responsibility to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board of Directors will ensure that the shareholders have sufficient information and time to assess the offer and will not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders.

Information about agreements entered into between the Company and the bidder that are material to the market's evaluation of the bid will be publicly disclosed no later than at the same time as the announcement that the bid will be made is published. Any agreements with the bidder that acts to limit the Company's ability to arrange other bids for Company's shares will only be entered into where the Board of Directors believes it is in the common interest of the Company and its shareholders.

Information about agreements entered into between the Company and the bidder that are material to the market's evaluation of the bid will be publicly disclosed no later than at the same time as the announcement that the bid will be made is published. Any agreements with the bidder that acts to limit the Company's ability to arrange other bids for Company's shares will only be entered into where the Board of Directors believes it is in the common interest of the Company and its shareholders.

If a take-over offer is made, the Board of Directors will obtain a valuation from an independent expert. On this basis, the Board of Directors will issue a statement making a recommendation as to whether shareholders should accept the offer or not. The valuation from the independent expert will be disclosed at the same time.

Deviation from the Code of Practice (NUES) - none

15. Auditor

The external auditor participates in meetings with the Audit Committee or the Board of Directors when matters falling within the scope of the external auditor's responsibilities are considered. The external auditor provides to the Audit Committee a description of the main elements of the audit for the preceding financial year, including in particular the elements that caused the most discussions with the Executive Management, material weaknesses uncovered related to internal controls of the financial reporting process and proposals for improvement. The auditor participates in meetings of the Board of Directors and the Audit Committee that approves financial statements. Once a year the Board of Directors holds a meeting with the auditor and no member of the Executive Management participates.

Norwegian laws and regulations stipulate the type of non-audit services that external auditors can perform for XXL. The Board of Directors has established guidelines with respect to the use of the auditor by the company's executive personnel for services other than the audit. The Annual General Meeting is informed about the Company's engagement

and remuneration of the auditor and for fees paid to the auditor for services other than the annual audit. Details are disclosed in note 3 to the consolidated financial statements.

Deviation from the Code of Practice (NUES) - none



The XXL share and shareholder information

XXL is committed to maintaining a consistent dialogue with the shareholders and potential investors. The communication with the financial market is based on openness and equal treatment of all shareholders. Good relations with the investor community contribute to building trust and reducing cost of capital. XXL gives high weight to providing accurate, clear, relevant, comprehensive and up-to-date information about the Company through stock exchange announcements, interim reports, annual reports, general meetings, presentations and meetings with investors and analysts.

The XXL share should be an attractive investment opportunity, providing competitive returns to the owners by increasing the value of the equity through positive developments in the operations over time.

Extensive information about the Investor Relations policies and the XXL share is available on www.xxlasa.com/investor.

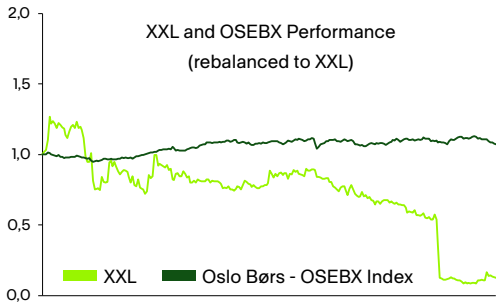


Financial Calendar 2025

- 29 April 2025 - Q1 2025 results
- 4 June 2025 - Annual General Meeting
- 11 July 2025 - Q2 2025 results
- 29 October 2025 - Q3 2025 results

Share performance

In July 2024 XXL commenced a reverse share split of its shares – please see <https://newsweb.oslobors.no/message/624136>. When taking this into consideration the XXL share started the year at a share price of NOK 71.3 and closed the year 2024 at NOK 8.16, giving a negative return of 89 per cent. XXL's market value as of year-end 2024 was NOK 200 million. The highest closing price was NOK 88.9 and the lowest was NOK 5.77. The average daily volume in 2024 was NOK 2.1 million or 47,000 shares.



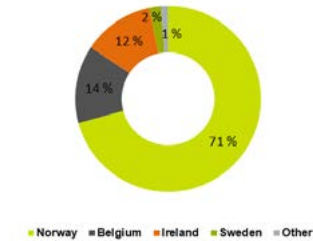
Dividend policy

XXL ASA will over time target a dividend pay-out of at 40-50 per cent of the Group's annual net income. When proposing a dividend, the Board of Directors will take into account legal restrictions, capital requirements and the overall financial position of the company. The Board of Directors will make an overall assessment in order to secure the Company with a healthy capital base both for daily operations and for future growth.

Shareholders

XXL ASA had on 31 December 2024 a total share capital of NOK 985,429,800 divided into 19,991,380 ordinary shares (class A shares) and 4,644,365 non-voting shares (class B shares), in total 24,635,745 shares, each with a nominal value of NOK 40. XXL ASA had 9,892 shareholders as of 31 December 2024. Non-Norwegians amounted to 29.2 per cent of the share capital, with shareholders from Belgium representing 13.5 per cent and shareholders from Ireland representing 12.4 per cent. The largest shareholder was Altor Equity Partners AS with 45.90 per cent of the share capital.

GEOGRAPHICAL SHAREHOLDER DISTRIBUTION



Annual General Meeting 2025

XXL ASA's Annual General Meeting is scheduled for Wednesday 4 June 2025 at 09.00 CET as a digital meeting. Shareholders may register by submitting a registration form or electronically on www.xxlasa.com or at the Norwegian Central Securities Depository investor services website (VPS – www.vps.no).

Largest shareholders

As of 31 december 2024

	Total amount of shares	Ownership	Voting rights
ALTOR INVEST 5 AS	5,654,079	23.0 %	16.7 %
ALTOR INVEST 6 AS	5,654,079	23.0 %	16.7 %
Euroclear Bank S.A./N.V.	3,317,802	13.5 %	16.6 %
HSBC Bank Plc	3,043,417	12.4 %	15.2 %
FERD AS	2,527,373	10.3 %	12.6 %
FUNKYBIZ AS	457,142	1.9 %	2.3 %
BJERKNES EIENDOM AS	359,183	1.5 %	1.8 %
MP PENSJON PK	286,727	1.2 %	1.4 %
NORDKRONEN II AS	284,605	1.2 %	1.4 %
STORMBERG GROUP AS	189,568	0.8 %	0.9 %
Avanza Bank AB	171,404	0.7 %	0.9 %
Nordnet Bank AB	112,144	0.5 %	0.6 %
ARVO INVEST AS	97,076	0.4 %	0.5 %
Skandinaviska Enskilda Banken AB	62,390	0.3 %	0.3 %
STANZA AS	61,199	0.2 %	0.3 %
Nordea Bank Abp	49,281	0.2 %	0.2 %
Skandinaviska Enskilda Banken AB	47,327	0.2 %	0.2 %
NYE BERGHOL INVEST AS	37,500	0.2 %	0.2 %
PEDERSEN, THOR IDAR	33,688	0.1 %	0.2 %
SVENSKA HANDELSBANKEN AB	30,921	0.1 %	0.2 %
Other	2,158,840	8.8 %	10.8 %
Total	24,635,745	100%	100%

Consolidated Financial Statements

XXL



Integrated Annual report 2024

**Sports
unite all**

Consolidated Financial Statements

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Consolidated Statement of Income and Comprehensive Income

(Amounts in NOK million)

	Note	2024	2023
Operating revenue	2	7,183	7,961
Cost of goods sold		4,603	5,452
Personnel expenses	3	1,560	1,657
Other operating expenses	6, 22	945	931
Depreciation and amortization	4, 5	775	754
Impairment losses	4, 5, 18	670	576
Total operating expenses		8,554	9,369
Operating income		(1,371)	(1,409)
Net financial expenses	19	(183)	(186)
Income before tax		(1,553)	(1,595)
Income tax expense	7	164	(5)
Net income from continuing operations		(1,717)	(1,590)
Net income from discontinued operations	23	-	(206)
Net income (loss) for the year		(1,717)	(1,796)
Net income (loss) attributable to:			
Owners of XXL		(1,705)	(1,731)
Non-controlling interests		(12)	(65)
Basic and diluted earnings per share from continuing operations (NOK)	14	(77.70)	(193.14)
Basic and diluted earnings per share attributable to owners of XXL (NOK)	14	(77.70)	(218.18)
Other comprehensive income			
Items that may be subsequently reclassified to income statement:			
Foreign currency rate changes		55	17
Total other comprehensive income		55	17
Total comprehensive income for the year		(1,662)	(1,779)
Total comprehensive income attributable to:			
Owners of XXL		(1,650)	(1,714)
Non-controlling interests		(12)	(65)

Consolidated Statement of Financial Position

Assets

(Amounts in NOK million)

	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
Intangible Assets			
Goodwill	5	1,552	2,222
Other intangible assets	5	264	270
Deferred tax assets	7	183	253
Total Intangible Assets		1,999	2,745
Fixed assets	4	417	490
Right-of-use assets	18	1,667	1,804
Total Non-Current Assets		4,082	5,039
CURRENT ASSETS			
Inventories	8	1,818	1,776
Trade and other receivables	12, 20	313	320
Cash and cash equivalents	11	166	406
Total Current Assets		2,298	2,502
Total Assets		6,380	7,542

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

Equity and Liabilities

(Amounts in NOK million)

	Note	31.12.2024	31.12.2023
EQUITY			
Equity attributable to owners of XXL		1,268	2,364
Non-controlling interests		(66)	(54)
Total Equity	13	1,201	2,310
NON-CURRENT LIABILITIES			
Interest-bearing debt	21, 22	1,041	276
Leases	18	1,376	1,528
Total Non-Current Liabilities		2,417	1,804
CURRENT LIABILITIES			
Accounts payable	16	885	908
Leases	18	588	585
Interest-bearing debt	21, 22	322	1,006
Tax payable	7	9	28
Public duties payable		338	342
Other	17	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 consolidated financial statements.

Oslo,
28 April 2025

Signed

Björn Einar Håkan Lundstedt
Chairman of the Board

Signed

Tor Andrin Jacobsen
Board Member

Signed

Tom Christian Jovik
Board Member

Signed

Kari Ekelund Thørud
Board Member

Signed

Kjell-Arne Fikerud
Chairman of the Board

Signed

Petra Elisabeth Axdorff
Board Member

Signed

Kine Skjønberg Ludvigsen
Board Member

Signed

Ronny Blomseth
Board Member

Signed

Freddy Sobin
Managing Director

Consolidated Statement of Cash Flows

(Amounts in NOK million)

	Note	2024	2023
OPERATING ACTIVITIES			
Loss before tax from continued operations		(1,553)	(1,595)
Income tax paid		(19)	-
Depreciation and amortization	4, 5	775	754
Impairment	4, 5, 18	670	576
Net financial expense		140	165
Changes in inventory	8	(42)	552
Changes in accounts receivable	12	7	(44)
Changes in accounts payable	16	(24)	(340)
Changes in other balance sheet items		12	103
Cash provided by operating activities from discontinuing operations	23	-	28
Net cash flow from operating activities		(34)	198
INVESTING ACTIVITIES			
Investment in fixed assets	4, 5	(85)	(129)
Net cash used in investing activities		(85)	(129)
FINANCING ACTIVITIES			
Proceeds from share capital increase	13	560	1,001
Transaction costs of issues of shares	13	(14)	(35)
Proceeds from borrowings	15, 22	317	342
Repayments of borrowings	22	(275)	(774)
Interest on debt	22	(62)	(95)
Payments for the principal of leases	18	(563)	(607)
Payments for the interest of leases	18	(79)	(84)
Cash used in financing activities from discontinuing operations	23	-	(33)
Net cash used in financing activities		(116)	(285)
Net decrease in cash and cash equivalents		(235)	(216)
Cash and cash equivalents - beginning of year		406	575
Effect of foreign currency rate changes on cash and equivalents		(5)	24
Cash and Cash Equivalents - Assets held for sale - End of period		-	23
Cash and cash equivalent at end of year	11	166	406

Consolidated Statement Of Changes In Equity

(Amounts in NOK million)

	Share capital	Share premium	Other paid in equity	Retained earnings	Foreign currency translation	Equity attributable to owners of XXL	Non-controlling interest	Total Equity
Shareholders' Equity 01.01.2023	101	2,900	40	61	(47)	3,055	10	3,066
Loss for the year	-	-	-	(1,731)	-	(1,731)	(65)	(1,796)
Foreign currency rate changes	-	-	-	-	17	17	-	17
Total comprehensive income for the year	-	-	-	(1,731)	17	(1,714)	(65)	(1,779)
Transactions with owners:								
Employee share incentive program	-	-	3	-	-	3	-	3
Changes in equity contributed	564	455	-	-	-	1,020	-	1,020
Shareholders' Equity 31.12.2023	665	3,355	44	(1,670)	(30)	2,364	(54)	2,310
Loss for the year	-	-	-	(1,705)	-	(1,705)	(12)	(1,717)
Foreign currency rate changes	-	-	-	-	55	55	-	55
Total comprehensive income for the year	-	-	-	(1,705)	55	(1,650)	(12)	(1,662)
Transactions with owners:								
Employee share incentive program	-	-	4	-	-	4	-	4
Changes in equity contributed (note 13)	320	230	-	-	-	550	-	550
Shareholders' Equity 31.12.2024	986	3,585	48	(3,376)	25	1,268	(66)	1,201

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the financial statements

Note 1 - Corporate information and basis of accounting

1.1 ORGANIZATION

XXL ASA (the "Parent Company") is a public limited company incorporated in Norway and domiciled at Strømsveien 245, N-0668 Oslo, Norway. XXL ASA's shares are listed on the Oslo Børs (OSL, Norway) with the ticker XXL.

These consolidated financial statements consist of the Parent Company and its subsidiaries (collectively, "XXL" or the "Group"). XXL is omni-channel sports retailer focusing on well-known quality brands at the best price of the market. XXL operates in Norway, Sweden, Finland, Denmark, and until end of 2023 in Austria. The Group has successfully exited the Austrian market during 2023. XXL ASA is the ultimate parent of the Group.

1.2 BASIS OF PREPARATION

XXL's consolidated financial statements have been prepared on a going concern basis in accordance with IFRS® Accounting Standards as adopted by the European Union as

well as additional disclosure requirements pursuant to the Norwegian Accounting Act effective on 31 December 2024. All material information for the preparation of these financial statements, and only this information, are presented and correspond to those used by the Company's Management.

These consolidated financial statements have been prepared in accordance with the historical cost convention, and adjusted to reflect the fair value of certain financial assets and liabilities (including derivative instruments), and impairment of assets, when applicable.

The Group's consolidated financial statements reflect the assets, liabilities and transactions of the Parent company and its direct and indirect subsidiaries ("subsidiaries"). Intercompany balances and transactions, which include unrealized profits, are eliminated.

These consolidated financial statements were approved for issue by the Board of Directors of XXL ASA on 28 April 2025.

Functional and presentation currency

Foreign currency transactions are translated into the functional currency of the respective group entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at closing rates at the reporting date are recognized in the income statement. Non-monetary items are measured at historical cost translated using the exchange rates at the transaction

date, except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

The presentation and functional currency is the Norwegian kroner ("NOK"), rounded to the nearest whole million unless otherwise stated. Group entities with a functional currency other than NOK are translated at the closing rate at the reporting date for balance sheet items, including goodwill, and at transaction rate for income and expenses. The functional currency in subsidiaries is generally the local currency where they operate. Monthly average rates are used as an approximation for transaction rates. Exchange differences are charged/credited to other comprehensive income and recognized in the currency translation reserve in equity.

1.3 BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the parent company XXL ASA and all of its subsidiaries. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. A list of the Group's subsidiaries and the accounting policies applied in preparing the consolidated financial statements are presented in note 9.

1.4 MATERIAL ACCOUNTING POLICIES, SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The material accounting policies used in preparing the consolidated financial statements are included in the relevant notes and remain consistent across all periods presented. Management also made judgments, estimates, and assumptions in recognizing and measuring assets, liabilities, income, and expenses. Estimates with a significant risk of materially adjusting asset and liability values in the next financial year are disclosed in the relevant notes.

1.5 NEW AND AMENDED IFRS ACCOUNTING STANDARDS Amendments to IAS 1 Non-current liabilities with covenants

The amendments improve the disclosure requirements related to long-term debt subject to compliance with covenants. The amendments are effective for January 1, 2024, and, therefore, the Group started to apply these amendments from these financial statements, as shown in note 22.

IFRIC Agenda decision on IFRS 8 Operating Segments

The agenda decision clarifies the requirements on the disclosure of specific items of income and expenses by operating segment. As a result of this agenda decision, the Company added the disclosure of the cost of goods sold by operating segment in note 2 of these financial statements, including the disclosure of the comparative information.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements and introduces new requirements on presentation within the statement of income statement, requires disclosure of "man-

agement-defined performance measures” and includes new requirements for aggregation and disaggregation of financial information of the primary financial statements and the notes. IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027, and the Company is currently assessing the potential impacts arising from the standard.

Other recently issued or amended accounting standards

Certain other new accounting standards, amendments and interpretations have been published recently, however, have not materially impacted these financial statements. The Company did not early adopt any standards and does not expect that other standards already issued and not yet mandatory will have a material impact in future reporting periods.

1.6 CLIMATE RELATED FACTORS

The Group faces risks and opportunities as a result of climate change, and climate-related factors may impact estimates and assumptions going forward. These risks and opportunities are integrated in risk management of the group and in the strategy process. The uncertainties and risk of climate change for financial performance relate mainly to transition risk (e.g. market-related changes) and may affect management’s estimates and judgments in a number of areas.

Note 2 - Operating segments and revenue

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

The Group's business is the sale of sports and leisure equipment. The Group's sales are made primarily from the Group's stores in Norway, Sweden, and Finland. The Company's performance is reviewed by the chief operating decision maker as three operating segments, and in addition HQ & Logistics. Internet sales are included in each geographic segment based on the geographic location of the consumer. HQ & Logistics includes Group HQ costs, such as IT, Finance, Training and Administration. Group HQ also includes costs related to wholesale and central warehouses. Inter-company sales from logistics operations are eliminated in the operating segments Norway, Sweden and Finland.

ACCOUNTING POLICY

The Group provides sporting goods and related equipment to its customers. Customers are individuals who shop at XXL stores and online.

Revenue is recognized when it transfers promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue excludes sales taxes, rebates, and trade discounts.

(Amounts in NOK million)

01.01.2024 - 31.12.2024

	Norway	Sweden	Finland	HQ & Logistics	Total Operations
Operating revenue	3,643	2,258	1,282	-	7,183
Cost of goods sold	2,287	1,486	830	-	4,603
Gross profit¹	1,356	772	452	-	2,580
EBITDA²	484	114	48	(572)	74
Operating income	(486)	(91)	(104)	(690)	(1,371)

(Amounts in NOK million)

01.01.2023 - 31.12.2023

	Norway	Sweden	Finland	HQ & Logistics	Total Operations
Operating revenue	4,049	2,387	1,525	-	7,962
Cost of goods sold	2,707	1,715	1,030	-	5,452
Gross profit¹	1,342	672	495	-	2,509
EBITDA²	425	(28)	67	(544)	(80)
Operating income	(371)	(293)	(84)	(661)	(1,409)

¹ Gross profit represent operating revenue less cost of goods sold.

² EBITDA represents Operating Income plus impairment losses, depreciation and amortization.

Each contract with a customer consists of one or more products, and each product or batch order of the same product constitute one performance obligation, since the customer can benefit from each good or batch on its own or together with other resources already available. The fixed transaction price, which represents the stand-alone selling price of each product, is separately stated for each product or batch of products within the contract.

The group recognizes revenue from the sale of goods at the point in time when control of the goods is transferred

to the customer. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the asset, and the ability to prevent others from directing the use of and receiving the benefits from the asset. The group therefore generally recognize revenue at the point of sale (retail) or delivery (internet sales). Payment within the retail sales channel takes place in the form of cash purchase or by the use of payment cards. Internet customers are invoiced either through debit/credit cards or through a third party sales finance provider, in both cases the Group receives payment within a couple of days. The

Group also has some business-to-business sales where it provides limited credit sales to the customers. This credit is mainly due 30 days after the purchase. Cash receivables through debit/credit cards or the sales finance provider is included in the line item ‘Cash and cash equivalents’ in the consolidated financial position.

The Group's policy is to provide the customer with a right of return within 100 days. As a consequence, revenue is reduced by the right to return. The value of right to return goods is estimated based on historical information. The liability related to the right of return is recognized in the line-item Other current liabilities in the consolidated balance sheet, while the associated asset is recognized in the line-item Inventory.

Customers can also purchase gift cards. At the point of sales of the gift card, a liability is recognized. Revenue is recognized at the point in time when the gift card is redeemed. Management estimates the expected value of gift cards that will expire unused based on historical information. The amount not expected to be redeemed is also recognized as revenue each month. The gift card liability is part of Other current liabilities in the consolidated balance sheet. Gift cards expires differently across the countries we operate, the lowest expiry time is two years and the highest is indefinite.

XXL launched in September 2023 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 Reward bonus

points are considered as a separate element of a sale with multiple elements. The portion of the price allocated to the bonus points is based on the stand-alone selling price. Revenue allocated to accrued bonus points is deferred and recognized as a contract liability, taking into consideration estimated redemption rates. The contract liability is included in the line-item Other current liabilities in the consolidated statement of the financial position. The bonus point liability is derecognized and recognized as other revenue when the bonus points expire. Unused bonus points expire one Year after the date of earning.

Note 3 - Personnel expenses

(Amounts in NOK million)

Employee benefit expenses	2024	2023
Wages, salaries	1,228	1,306
Social security costs	222	235
Pension expenses	74	82
Other benefits	36	33
Total	1,560	1,657
Average number of full time employees	2,467	2,527

SENIOR EXECUTIVE MANAGEMENT REMUNERATION

The following benefits were provided to the members of the Senior Executive Management for 2024:

(Amounts in NOK million)

Name	Title	Number of shares held in XXL ASA	Salary	Bonus	Other	Pension	Total remuneration
Freddy Sobin	CEO	-	6,592	-	91	-	6,683
Lars Syse Christiansen	CFO*	-	1,207	-	3	12	1,222
Dawid Gosciniak	COO**	-	1,894	-	9	-	1,903
Stein Eriksen	ex-CFO***	2,120	2,006	2,500	6	17	4,529
Total remuneration paid		2,120	11,699	2,500	109	29	14,337

*Lars Syse Christiansen started operating as CFO August 5th 2024.

**Dawid Gosciniak was appointed COO in April 2024.

***Stein Eriksen operated as CFO until July 2024.

The following benefits were provided to the members of the Senior Executive Management for 2023:

(Amounts in NOK million)

Name	Title	Number of shares held in XXL ASA**	Salary	Bonus	Other	Pension	Total remuneration
Freddy Sobin	CEO	-	4,333	-	2,003	780	7,117
Stein Eriksen	CEO/CFO*	2,120	2,762	-	2,511	27	5,301
Total remuneration paid		2,120	7,095	-	4,514	807	12,419

*CFO Stein Eriksen operated as CFO and interim CEO until May 2023.

**The number of shares held in 2023 were adjusted for comparability with the shares held in 2024, to reflect the reverse share split in the ratio of 100:1 conducted in 2024 (note 13).

We refer to Remuneration Guidelines for determination of salary and other remuneration to the Senior Executive management.

PROGRAM FOR RESTRICTED SHARE UNITS

In 2015, the Board of Directors of XXL ASA first implemented the RSU-Program where the participants have a right to receive shares in the Company subject to certain terms and conditions. The participants in the RSU-Program receive RSUs worth up to an average annual salary. The RSUs are exercisable three years after grant, subject to the holder at the time of exercise being employed within the Group. Any issuance of Shares under the RSU-Program will result in a dilution of existing shareholders not participating in the RSU-Program.

No RSU's were exercised during FY2024 and FY 2023.

Set out below is an overview of the outstanding RSUs at the beginning and end of the financial year ended 31 December 2024, compared to the financial years ended 31 December 2023.

(Amounts in NOK million)

RSU*	2024	2023
Outstanding at the beginning of the period	29,170	8,854
(-) Released	(2,248)	-
(-) Terminated	(5,858)	(1,684)
(+) Granted	325	22,000
Outstanding at the end of the period	21,389	29,170
	2024	2023
RSU program expensed for the year	4	5

*The number of RSU in 2023 were adjusted to reflect the reverse share split in the ratio of 100:1 conducted in 2024 (note 13).

LONG TERM INVESTMENT PROGRAM

In February 2025 (event subsequent), XXL reached an agreement with participants to terminate the new long term management investment program ("New Investment Program"), due to disagreements among valuation experts during the implementation phase. Participants were given the option to invest in a newly established management investment company, XXL Management Invest II AS ("XMI II"), which was designed to invest in financial instruments linked to the value XXL shares.

As a result of the termination, XMI II will be liquidated, and the funds contributed to that company will be repaid to the participants. There were no adjustment effects in 2024 or 2025, as the program was not fully implemented.

(Amounts in NOK million)

Investment program ("XMI1")

Name	Title	Number of shares in XXL Management Invest AS	Indirect ownership of XXL Sport & Villmark AS
Anders Lindblom	Managing Director Sweden	1,255	0.1%
Kjersti Helen Krokeide*	ex-Board Member	796	0.1%
Others		4,778	0.5%
Total number of shares in XMI held by Board of Directors, Management and others		6,829	0.7%

* Member of the Board of Directors until May 2024.

(Amounts in NOK thousands)

Remuneration and number of shares held by the Board of Directors 2024

Name	Title	Number of shares in XXL ASA	Total remuneration
Björn Einar Håkan Lundstedt	Chairman of the Board	-	535
Tom Christian Jovik ^(a)	Board member and Chairman of Audit Committee	-	445
Kari Ekelund Thørud	Board member	-	410
Ronny Blomseth	Board member	28,245	370
Petra Elisabeth Axdorff	Board member	-	-
Kine Skjønberg Ludvigsen	Board member (employee representative)	36	-
Tor Andrin Jacobsen	Board member (employee representative)	1,200	80
Kjell-Arne Fikerud	Board member (employee representative)	-	60
Kjersti Hobøl ^(b)	ex-Board member	2,013	470
Helena Ebersten Henriksen ^(b)	ex-Board member (employee representative)	334	60
Kai Arne Nordhaug ^(c)	ex-Board member (employee representative)	-	20
Cristina Moreno ^(c)	ex-Board member (employee representative)	402	20
Total remuneration paid		32,230	2,470

^(a) Tom Jovik represents Altor in the BoD. Altor Invest 5 AS and Altor Invest 6 AS combined owns 6,663,793 ordinary shares (A shares) and 4,644,365 non-voting shares (B shares) in XXL ASA. Remuneration is paid to Altor and not Tom Jovik personally.

^(b) Members of the Board of Directors until May 2024.

^(c) Members of the Board of Directors until November 2023.

(Amounts in NOK thousands)

Remuneration and number of shares held of by the Board of Directors 2023

Name	Title	Number of shares in XXL ASA*	Total remuneration
Hugo Maurstad	Chairman of the Board	-	450
Kjersti Hobøl	Board member and Chairman of Audit Committee	1,502	410
Tom Christian Jovik	Board and audit committee member	-	390
Ulrike Koehler	Board member	-	350
Øivind Tidemandsen	Board member	-	350
Cristina Moreno	Board member (employee representative)	-	75
Kai Arne Nordhaug	Board member (employee representative)	-	75
Tor Andrin Jacobsen	Board member (employee representative)	905	75
Total remuneration paid		2,407	2,175

*The number of shares held in 2023 were adjusted for comparability with the shares held in 2024, to reflect the reverse share split in the ratio of 100:1 conducted in 2024 (note 13).

There are no loans or guarantees to the Managing Director or other related parties. The CEO and the Board do not have any agreement for compensation upon termination or change of employment / directorship.

PENSION

The Group is required to have a compulsory pension in accordance with the Norwegian Accounting Act §7-30a. The Group has a pension plan that fulfills this requirement, which covers all employees and is a defined contribution plan.

Note 4 - Property, Plant and Equipment

(Amounts in NOK thousands)	Fixtures and fittings	Machinery and equipment	Land and buildings	Other	Total
Cost at 01.01.2023	1,701	372	29	10	2,112
Additions	59	12	-	-	71
Disposals (-) / transfer to other cat. of fixed assets (+/-)	(53)	9	-	(1)	(45)
Net exchange differences	1	-	-	-	1
Cost at 31.12.2023	1,708	393	29	9	2,139
Accumulated depreciation and impairment at 01.01.2023	(1,133)	(333)	(10)	(4)	(1,480)
Depreciation	(128)	(41)	(1)	-	(170)
Impairment	-	-	-	-	-
Net exchange differences	-	-	-	-	-
Disposals	-	-	-	-	-
Accumulated depreciation and impairment at 31.01.2023	(1,261)	(374)	(11)	(4)	(1,650)
Carrying amount at 31.12.2023	447	19	18	5	490

Cost 01.01.2024	1,840	184	29	9	2,062
Additions	48	1	-	-	49
Disposals (-) / transfer to other cat. of fixed assets (+/-)	(26)	(3)	-	(4)	(32)
Net exchange differences	22	4	-	-	27
Cost at 31.12.2024	1,884	186	29	5	2,105
Accumulated depreciation and impairment at 01.01.2024	(1,356)	(165)	(11)	(3)	(1,535)
Depreciation	(156)	(9)	(1)	-	(166)
Impairment	-	-	-	-	-
Net exchange differences	21	-	-	-	21
Disposals	(20)	(4)	-	-	(24)
Accumulated depreciation and impairment at 31.01.2024	(1,511)	(178)	(12)	(3)	(1,703)
Carrying amount at 31.12.2024	373	9	17	3	402

Useful life	10 year	3-5 year	20 years	5 years
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line

ACCOUNTING POLICY

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the difference between the proceeds and the carrying value of the assets is recognized as gain or loss. The cost of fixed assets is the purchase price including taxes and expenses directly attributable to preparing the asset for use. Expenditures incurred after the asset has been put into operation, such as ongoing maintenance, are expensed, while other expenses that are expected to generate future economic benefits are capitalized. Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of buildings and equipment. Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the income statement within other income or other operating expenses. The estimated useful lives are as follows:

Note 5 - Intangible assets

(Amounts in NOK million)	Goodwill	Trademarks	Proprietary software	Software	Total
Cost at 01.01.2023	2,888	205	258	54	3,405
Additions	-	-	42	6	48
Disposals	-	-	-	-	-
Cost at 31.12.2023	2,888	205	300	60	3,453
Accumulated amortization and impairment at 01.01.2023	(144)	(13)	(206)	(34)	(397)
Amortization	-	-	(36)	(6)	(42)
Impairment	(522)	-	-	-	(522)
Accumulated amortization and impairment at 31.12.2023	(666)	(13)	(242)	(40)	(961)
Carrying amount at 31.12.2023	2,222	192	58	20	2,492
Cost 01.01.2024	2,888	205	300	60	3,453
Additions	-	-	33	7	40
Disposals	-	(2)	-	-	(2)
Cost at 31.12.2024	2,888	203	333	67	3,491
Accumulated amortization and impairment at 01.01.2024	(666)	(13)	(242)	(40)	(961)
Amortization	-	-	(38)	(6)	(44)
Impairment	(670)	-	-	-	(670)
Accumulated amortization and impairment at 31.12.2024	(1,336)	(13)	(280)	(46)	(1,675)
Carrying amount at 31.12.2024	1,552	190	53	21	1,816
Useful life	Indefinite	Indefinite	5 years	3-5 years	
Amortization method	-	-	Straight-line	Straight-line	

In connection with impairment testing, goodwill is allocated to the related cash-generating units or Groups of cash generating units.

Acquired intangible assets are capitalized on the basis of the costs incurred to acquire and put the asset into use. Intangible assets acquired in a business combination that qualify for separate recognition are recognized as intangible assets at their fair values.

Expenditure on the research phase of projects to develop new customized software for IT and telecommunication systems is recognized as an expense as incurred.

All intangible assets, including capitalized internally developed software, are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. Intangible assets with indefinite useful lives are tested for impairment annually, either individually or as part of a cash-generating unit.

Intangible assets with indefinite lives are not amortized. Management reviews annually to determine whether the indefinite life assumption can be justified. If not, a change to the predetermined useful life is made.

BRAND/TRADEMARK

Trademark allocated as part of the purchase price allocation in 2010 (NOK 190 million) and additions is capitalized and has indefinite life. Trademark is not amortized due to XXL's

extensive spending on commercials and advertising, keeping the brand awareness growing. The value of trademark is tested annually for impairment.

The carrying value is allocated to the Group of cash generating units comprised of the shops in Norway (part of the operating segment Norway). The impairment assessment of trademark is included in the goodwill impairment test. See below.

SOFTWARE - ACQUIRED AND DEVELOPED

Expenses related to the purchase of new software are capitalized as an intangible asset if these costs are not part of the original hardware cost. Software is depreciated over three years. Expenses incurred due to service or maintenance are expensed unless the changes in the software increase the future economic benefits of the software.

CLIMATE, TRANSITION RISK AND IMPACT ON ASSUMPTIONS

Climate risk is one of the risk factors that could affect the margins for XXL in the coming years. As climate change makes extreme weather more frequent and/or severe, it increases the annual probability of events that are more intense and supply chain disruptions can become more common. In our home market, climate change affects several prerequisites as winters are shorter and milder on average affecting market conditions for several product Groups. The retail industry is sensitive to changing consumer trends. The changes can come quickly when they first occur, for example as a result of changes in attitudes among consumers to a product or sector's climate footprint. The

consumer response could be different for various product Groups. For textile products, water consumption related to cotton production is an important issue. For hardware and other capital goods, short life of the products, small degree of reuse, quality and reparability can be an issue that is gaining more weight and that could lead to pressure on gross margin. Extended producer responsibility schemes can affect our business model in a negative sense if we fail to adapt to requirements of material consumption and less carbon intensive materials and production methods.

More details about the abovementioned risks and XXL's response is released in XXL ASA Sustainability Report 2024.

GOODWILL

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 DISCOUNT RATE:

Change in after tax WACC	3.0%	2.0%	1.0%	0.0%	-1.0%	-2.0%	-3.0%
Impairment (-) / headroom (+)	(1,045)	(944)	(821)	(670)	(480)	(231)	106
Changes in impairment	(375)	(274)	(151)	-	191	439	670

SENSITIVITY ANALYSIS IN LONG TERM GROWTH RATE

These sensitivities reflect changes in the terminal value, where a 0.5 percentage point increase in the long-term growth rate impacts NOK 94 million, while a 0.5 percentage point decrease results in a negative 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 (%) absolute percentage change	1.0%	0.5%	0.0%	-0.5%	-1.0%
Impairment (-) / headroom (+)	(260)	(465)	(670)	(876)	(1,081)
Changes in impairment	410	205	-	(205)	(410)

Cash Generating Units (CGUs)

(Amounts in NOK million)

Shops in Norway	2024	2023
Goodwill	1,552	2,222
Trademark	192	192
Estimated recoverable amount	2,054	4,459
Impairment	670	522

SIGNIFICANT MANAGEMENT JUDGEMENT

The Group tests goodwill and trademark for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable, or at a minimum annually. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable CGU. Goodwill is allocated to CGU or CGU groups that are expected to benefit from the events from which the goodwill arose and are identified in accordance with the operating segment. The recoverable amount of CGUs are based on the value-in-use model (ViU), which is determined as the present value of the estimated future cash flows expected to arise from the asset's continued use in its present form. Management uses the budgets approved as a starting point, and key assumptions are, but are not limited to: (i) future cash flows, (ii) growth rates and margins, and (iii) cost of capital. These assumptions are susceptible to risks and uncertainties and may change the Group's projection and therefore, may affect the recoverable value of assets.

Note 6 - Other operating expenses

(Amounts in NOK million)

Other operating expenses by nature

	2024	2023
Cost of premises	220	222
Marketing expenses	402	434
Other (includes audit fees, IT licenses, maintenance, legal fees and other)	323	275
Total	945	931

(Amounts in NOK thousand)

Audit Fees

	2024	2023
Statutory audit	5,188	4,006
Other certification services	1,375	313
Tax related services	225	-
Other non-auditing services	2,307	626
Total	9,095	4,945

Note 7 - Tax

(Amounts in NOK million)

Income tax expense for the year

Tax expense for the year	2024	2023
Tax payable	9	28
Change in deferred tax asset	91	(87)
Adjustments for current tax of prior periods*	64	54
Other adjustments	-	-
Total income tax expense	164	(5)

* The adjustment relates primarily to the effect of the MAP/APA negotiations between Norwegian and Swiss tax authorities.

(Amounts in NOK million)

Income tax expense for the year

Current tax payable	2024	2023
Tax payable	9	28
Total tax payable in the balance sheet	9	28

RECONCILIATION OF THE NORWEGIAN STATUTORY TAX RATE OF 22% AND THE EFFECTIVE TAX RATE

(Amounts in NOK million)

Income before tax	(1,553)	(1,595)
22 % tax of income before tax	(342)	(351)
Permanent differences (22%)	3	23
Unrecognised deferred tax assets	213	336
Tax effect of impairment of goodwill	147	115
Other tax effects	133	(126)
Foreign tax rate differences	10	(2)
Income tax expense	164	(5)

* The adjustment in 2024 relates primarily to prior periods current tax and deferred tax changes due to the MAP/APA negotiations between Norwegian and Swiss tax authorities.

Effective tax rate	-10.6%	0.3%
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Specification of temporary differences

Asset (-) / liability	2024	2023	Change
Property, plant and equipment	28	27	1
Trade and other receivables	(11)	119	(130)
Inventories	(350)	(129)	(221)
Other current liabilities	21	(40)	61
Trademarks	190	190	-
Accrued income	(43)	(51)	8
Amortization of loan expenses	8	8	-
Financial derivatives	-	-	-
Leases	(242)	(308)	66
Total temporary differences	(399)	(185)	(214)
Tax loss carried forward*	(2,946)	(2,437)	(509)
Restricted interest carried forward	-	(56)	56
Basis for deferred tax asset (-)	(3,345)	(2,678)	(667)
Basis for deferred tax assets not recognised	2,493	1,527	966
Deferred tax assets not recognised (22%)	548	336	212
Basis for deferred tax recognised	(852)	(1,151)	299
Deferred tax liability/asset (+/-) in the balance sheet	(183)	(253)	70

* The tax loss carried forward is located in different tax jurisdictions and expire in line with local regulation. The expiry period for tax loss carried forward for entities in the Group ranges from 7 years to indefinite.

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 548 million as of 31 December 2024.

Tax expense recognized in the income statement comprises the sum of changes in deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax payable and/or tax receivable comprise those obligations to, or claim from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. The calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Based on these evaluations, provisions for anticipated tax payments are made, as necessary.

Deferred tax liabilities are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. Deferred tax

assets are recognized to the extent that it is probable that they will be utilized against future taxable income, based on the Group's forecast of future operating results which are adjusted for significant non-taxable income and expenses.

Deferred tax assets (-) / liabilities are presented net for entities within the same tax jurisdiction. The following corporate income tax rates for 2024 have been used in preparation of the tax position of the Group: Norway 22%, Sweden 20.6%, Finland 20%, Switzerland 12.09%, Austria 23%, and Luxembourg 24.94%.

The Group operates in Norway, which has enacted new legislation to implement the global minimum tax rules (OECD - Pillar Two). The Group expects to be subject to these rules in relation to its operation in multiple jurisdictions, with the newly enacted tax legislation in Norway effective from 1 January 2024.

ONGOING PROCESS WITH TAX AUTHORITIES 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 2024, XXL had, even though the amounts were uncertain, estimated a net tax expense relating to the MAP/APA negotiations of NOK 71 million and a net interest expense relating to late payment interest of NOK 19 million recorded in the income statement as income tax expense and net financial expense, respectively.

VAT dispute

XXL has recorded a provision of NOK 44 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 in 2025.

Note 8 - Inventories

(Amounts in NOK million)

	2024	2023
Goods purchased for resale	2,022	2,050
(-) Reserve for inventory obsolescence	204	274
Total inventories	1,818	1,776

Cost is reduced by discounts from suppliers, unless these are determined to be separate services that are delivered to the supplier or reimbursements for joint marketing or similar activities.

Sales support billed to suppliers for joint marketing is presented as a reduction in marketing costs under other operating expenses. Inventory cost is recognized based on weighted average.

Significant management judgement

The provisions for obsolescence are based on a detailed assessment of the age distribution of inventory items and whether the goods are part of an active or expired product range. A provision for obsolescence is made when the net realizable value of the good is lower than the cost of the good. These provisions are estimate-based and require in-depth knowledge about goods and markets.

The provisions for obsolescence are based on four components; age of the inventory, product life cycle, price class distribution and cost of sale. The provisions are updated so that the booked inventory value represents the lowest of purchasing price and expected retail value.

Note 9 - Investment in subsidiaries

The Group owns interests in the following wholly-owned subsidiaries, which are fully consolidated in the financial statements:

Subsidiaries	Business location	Year of incorporation	Ownership percentage
XXL Sport & Villmark AS	Oslo	2000	99.3%
XXL Grossist Norge AS	Oslo	2000	100%
XXL Adventure AS	Oslo	2002	100%
XXL Sport & Vildmark AB	Stockholm	2005	100%
XXL Sports & Outdoor OY	Helsinki	2013	100%
XXL Sports & Outdoor ApS	Copenhagen	2016	100%
XXL Sports & Outdoor GmbH	Wien	2016	100%
XXL Europe Holding Sarl	Luxembourg	2013	100%
XXL Europe GmbH	Luzern	2013	100%
XXL Online GmbH	Luzern	2013	100%
Level2Invest AS*	Oslo	2016	100%
West System Norge AS	Oslo	2019	100%
XXL Holding ASA	Oslo	2024	100%

* Liquidated in September 2024

Accounting policy

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Investments held by third party investors in the group's subsidiaries are treated as non-controlling interests (NCI). Profit or loss and comprehensive income are attributed to the equity holders of the parent of the group and to the NCI of subsidiaries and are presented separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet.

Note 10 - Related party transactions

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

In 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.

We refer to note 3 for details on Remuneration of the Senior executive management and Board of Directors.

Note 11 - Cash and cash equivalents

Cash and equivalents include the following items:

(Amounts in NOK million)

	2024	2023
Cash	9	8
Bank accounts (unrestricted)	157	398
Total cash and cash equivalents	166	406

Cash and cash equivalents by currency

NOK	39	258
SEK	60	1
EUR	82	135
Other currencies	(15)	12
Total cash and cash equivalents	166	406

The Group has a multi-currency cash-pool owned by XXL Sport & Villmark AS, a fully owned subsidiary of XXL ASA, and operated by Nordea. For consolidated Group reporting the cash balances are shown as the net balance as either cash or as short-term bank loan.

Cash includes cash in hand and bank deposits. Funds originally restricted for more than three months are not included in cash and cash equivalents.

Note 12 - Trade and other receivables

(Amounts in NOK million)

	2024	2023
Trade receivables, gross	88	116
(-) Allowance for credit losses	15	17
Trade receivables 31.12	73	98

Changes in allowance for credit losses

Beginning balance	17	20
Change in the allowance	(2)	(3)
Allowance for credit loss expense	(2)	(3)
Ending balance 31.12	15	17

The table below shows the aging analysis of trade receivables per 31.12

Year	Total	Not yet due	<30 days	>30 days	>60 days	>90 days
2024	88	64	18	1	1	4
2023	116	52	13	7	1	38

Note 13 - Share capital and shareholder information

The share capital of XXL is NOK 985,429,800 consisting of 24,635,745 shares in total being 19,991,380 ordinary shares (A shares) and 4,644,365 non-voting shares (B shares) with a par value of NOK 40 each.

Overview of the major shareholders of the Group as of 31.12.2024:	Total amount of shares	Ownership	Voting rights
ALTOR INVEST 5 AS	5,654,079	23.0%	16.7 %
ALTOR INVEST 6 AS	5,654,079	23.0%	16.7 %
Euroclear Bank S.A./N.V.	3,317,802	13.5%	16.6 %
HSBC Bank Plc	3,043,417	12.4%	15.2 %
FERD AS	2,527,373	10.3%	12.6 %
FUNKYBIZ AS	457,142	1.9%	2.3 %
BJERKNES EIENDOM AS	359,183	1.5%	1.8 %
MP PENSJON PK	286,727	1.2%	1.4 %
NORDKRONEN II AS	284,605	1.2%	1.4 %
STORMBERG GROUP AS	189,568	0.8%	0.9 %
Avanza Bank AB	171,404	0.7%	0.9 %
Nordnet Bank AB	112,144	0.5%	0.6 %
ARVO INVEST AS	97,076	0.4%	0.5 %
Skandinaviska Enskilda Banken AB	62,390	0.3%	0.3 %
STANZA AS	61,199	0.2%	0.3 %
Nordea Bank Abp	49,281	0.2%	0.2 %
Skandinaviska Enskilda Banken AB	47,327	0.2%	0.2 %
NYE BERGHOL INVEST AS	37,500	0.2%	0.2 %
PEDERSEN, THOR IDAR	33,688	0.1%	0.2 %
SVENSKA HANDELSBANKEN AB	30,921	0.1%	0.2 %
Other	2,158,840	8.8%	10.8 %
Sum	24,635,745	100.0%	100.0%

Private placement and subsequent offering

In March 2024, XXL announced a private placement of NOK 500 million and allocated 535 714 285 new ordinary shares (class A-shares) and 178 571 429 new non-voting shares (class B-shares) at a price of NOK 0.70 per share. The net proceeds from the offering were used for general business purposes hereof NOK 300 million were used to reduce the existing revolving credit facility with DNB ASA and Nordea Bank Abp. XXL also carried out a subsequent offering of NOK 60 million and allocated 85 714 285 new class A-shares directed towards shareholders not allocated shares or participating in the private placement. The subscription was equal to the subscription price in the private placement, i.e. NOK 0.70 per class A-share. As a result, the share capital and share premium were increase by NOK 320 million and NOK 227 million, respectively, net of the transaction costs.

Reverse share split

In July 2024, XXL conducted a reverse share split of its shares in the ratio 100:1, and the par value of the XXL's shares was increased from NOK 0.40 to NOK 40 per share.

Note 14 - Earnings per share

(Amounts in NOK million)

	2024	2023
Net income from continuing operations	(1,717)	(1,590)
Net income from discontinued operations	-	(206)

Weighted average number of shares used in calculating basic earnings per share	22,103,244	8,170,406
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Basic and diluted earnings per share from continuing operations (NOK)	(77.70)	(193.14)
Basic and diluted earnings per share from discontinued operations (NOK)	-	(25.04)
Basic and diluted earnings per share (NOK)	(77.70)	(218.18)

The earnings per share (EPS) for 2023 were adjusted for comparability with the EPS for 2024, to reflect the reverse share split in the ratio of 100:1 conducted in 2024 (note 13).

Note 15 - Security and guarantees

XXL ASA has a total loan engagement of NOK 1,200 million with DNB and Nordea as of 31.12.2024 (2023: NOK 1,300 million) consisting of (i) an Overdraft of NOK 150 million (NIL drawn at 31.12.2024), (ii) a Bridge facility of NOK 200 million out of which NOK 187 million is drawn at 31.12.2024, and (iii) a Revolving Credit Facility of NOK 850 million out of which NOK 833 million is drawn at 31.12.2024. The loans are secured by a negative pledge from the participants.

Note 16 - Accounts payable

(Amounts in NOK million)

	2024	2023
Accounts payable	885	868
Supplier finance arrangement	-	40
Total accounts payable	885	908

The Group terminated their supplier financing arrangement with DNB and all of the outstanding balance under the arrangement were settled in 2024.

Accounts payables are unsecured and are usually paid within 30-90 days of recognition and their carrying amount is considered to be reasonable approximations of their fair values, due to their short-term nature.

Note 17 - Other current liabilities

(Amounts in NOK million)

	2024	2023
Credit notes / gift cards / right of return customers*	155	83
Accrued salary and bonus	73	76
Accrued holiday pay	150	148
Other short-term accruals	242	252
Total other current liabilities	620	560

*Refer to note 2 for the accounting policy related to gift cards and bonus points.

Note 18 - Leases

The lease assets mainly relate to right-of-use (RoU) of buildings used in the retail stores in the Nordic market as well as the central warehouses in Norway and Sweden.

During 2024 we have both seen adverse sales and margin development due to the macroeconomic environment and increasing market. With this background the Group performed an analysis of the profitability on an EBITDA level of the stores on an individual level. The EBITDA level observed on a store level in 2024 is reflecting the overall performance of the XXL Group in a difficult market throughout 2024. This development has served as an impairment indicator.

XXL's management also analyzes on a continuous basis whether stores should be closed down based on future projections. The principal evaluation is whether a store has / is expected to provide a positive EBITDA result to contribute to XXL's centralized service cost. The compensation needed to pay the lessor for termination of the lease contract is also part of the evaluation.

An impairment test has been conducted to measure the recoverable amount being the higher of the RoU asset's fair value less costs of disposal and its value in use. The value-in-use calculation is based on future expected cash flows of the cash generating units i.e stores, which includes an allocated share of overhead costs such as the central warehouse.

The value-in-use calculation on the individual stores with impairment indicators was performed and showed an impairment was not required. As the lease liabilities are part of XXL's recognized borrowings being financing activities, all payments associated with lease liabilities are excluded from the cash flows used to determine value-in-use.

Methodology for impairment testing

The discounted free cash flow model is used to calculate the enterprise value for the remaining lease contract period for the cash generating units – i.e the stores tested. Individual value-in-use calculations have been performed for the stores with impairment indicators.

The first year's cash flow is based on budgeted numbers for 2025, while the consecutive years are calculated based on the company's 3 years operations plan. Revenue, GOGS and operating expenses budgeted for FY2025 for each store under review serves as the basis. The budget is based on history and the group's strategy plan and is approved by the Board of Directors. Retail growth from stores for the period after budget year 2025 is expected to return to pre-pandemic XXL levels. The projected average combined growth in the period 2025-2029 is approximately 5% (which includes inflation).

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 include resetting the operating model and ways of working. Five must win battles are also identified and is currently in execution within areas such as:

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

Cost of capital

Future cash flows are discounted to present value using the weighted average cost of capital (WACC), which is estimated at a pre-tax rate of 12.7%, based on a risk-free interest rate and a risk premium. In the NPV analyses, cash flows are calculated excluding tax payments.

Conclusion

No impairment loss have been recorded in 2024 (2023: NOK 54 million).

(Amounts in NOK million)

Right-of-Use Assets	Buildings, machinery and vehicles	
	2024	2023
Aquisition cost 01.01	4,658	4,115
Additions and adjustments	415	449
Change incentives	(7)	(32)
Net exchange differences	67	126
Aquisition costs 31.12	5,133	4,658
Accumulated depreciation 01.01	(2,854)	(2,174)
Depreciation	(565)	(580)
Impairment losses	-	(54)
Disposals	-	14
Transfers and reclassifications	-	-
Currency exchange differences	(47)	(60)
Accumulated depreciation and impairment 31.12	(3,466)	(2,854)
Right-of-Use Assets at 31.12	1,667	1,804
Lower of remaining lease term or economic life	0 - 10 years	0 - 9 years
Depreciation method	Linear	Linear

(Amounts in NOK million)

Lease liabilities	2024	2023
Lease liabilities 01.01	2,113	2,203
New lease liabilities recognised in the period	408	417
Total leasing payments for the lease liability	(661)	(607)
Interest expense on lease liabilities	79	86
Reassessment of rental contributions	-	(21)
Currency exchange differences	25	35
Lease liabilities at 31.12	1,964	2,113
Lease liabilities at 31.12	588	585
Current lease liabilities	1,376	1,528
Non-current lease liabilities	1,964	2,113

For maturity profile of the lease liabilities refer to disclosure note 21.

	2024	2023
Total cash outflow for leases	661	607

(Amounts in NOK million)

Accounting policy

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group (the commencement date). Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The corresponding liability is included as Current lease liabilities in the balance sheet.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.

- Variable lease payment that are based on an index or a rate.
- Amounts expected to be payable by the lessee under residual value guarantees.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets with a purchase value below NOK 50,000.

Note 19 - Net financial expenses

(Amounts in NOK million)

Financial income	2024	2023
Other financial income	-	14
Foreign exchange gains, net	13	2
Total financial income	13	16
Financial expenses		
Interest expenses on bank loans	(109)	(107)
Interest expenses on lease liabilities	(79)	(84)
Other financial expenses	(8)	(12)
Total financial expenses	(196)	(202)
Net financial expenses	(183)	(186)

Note 20 - Financial instruments

The Group has the following financial instruments: trade receivables, cash and cash equivalent, lease liabilities, debt, accounts payable and supplier finance and derivatives. All financial instruments except for derivatives are measured at amortized cost. Trade receivables meet the SPPI criteria of IFRS 9. FX derivatives used to secure purchases in foreign currency are measured at fair value and recognized in the P&L.

FINANCIAL RISK

The Group uses financial instruments such as bank loans. The purpose of these financial instruments is to raise capital for investments that are necessary for the Group's business. In addition, the Group has financial instruments such as accounts receivable, accounts payable, etc. which are directly related to its daily operations. For commercial hedging purposes, the Group uses derivatives. The Group does not apply hedge accounting. The Group does not use financial instruments, including derivatives, for trading purposes. Procedures for risk management are approved by the Board. The financial risks that the Group is exposed to are interest rate risk, liquidity risk, currency risk and credit risk. The Group's management regularly evaluates these risks and establishes guidelines for how they are handled.

CREDIT RISK

The Group is mainly exposed to credit risk for trade and other receivables. The Group mitigates its exposure to credit risk by ensuring that all parties requiring credit, such as customers, are approved and subject to a credit check.

The Group does not have significant credit risk associated with a single counterparty or counterparties which can be viewed as a Group due to similar credit risk. The Group has policies in place to ensure that sales are made to customers who have not had significant problems with payment and the outstanding amount does not exceed the established credit limits. Maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Group considers its maximum risk exposure to be the carrying amount of accounts receivable (see note 12).

MARKET RISK - INTEREST RATE SENSITIVITY

The Group is exposed to interest rate risk through its financial activities. The interest-bearing debt has floating rates, which means it is affected by changes in interest rates. The purpose of the Group's interest rate risk management is to reduce interest costs and at the same time keep the volatility of future interest payments within acceptable limits. The Group constantly monitors the interest rate level and uses derivatives to adjust the effective interest rate exposure when deemed necessary.

The following table illustrates the sensitivity of the Group to potential interest rate changes.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates.

(Amounts in NOK thousand)

Interest rate sensitivity			
	Changes in interest rates in basis points	Effect on profit before tax	Effect on equity
2024	+50	(6,813)	(5,314)
	-50	6,813	5,314
2023	+50	(6,382)	(4,978)
	-50	6,382	4,978

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's strategy for managing liquidity risk is to maintain sufficient liquid funds at all times to meet its financial obligations, both under normal and extraordinary circumstances, without risking unacceptable losses or damaging its reputation. The Group has large fluctuations related to restricted working capital due to seasonality and the timing of deliveries and payments.

The Group is part of credit facility agreements with DNB and Nordea (note 15) to meet obligations when due and does not consider these arrangements to give rise to excessive concentrations of liquidity risk.

MARKET RISK - FOREIGN CURRENCY SENSITIVITY

The following tables demonstrate the sensitivity to a reasonably possible change in EUR, NOK and SEK exchange rates. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges (if any). The Group's exposure to foreign currency changes for all other currencies is not material.

Furthermore, the carrying amount of its net investments in foreign companies fluctuates in Norwegian kroner compared to the local relevant currencies. Loss after tax for the Group is also affected by changes in exchange rates, as the results of foreign companies are translated into Norwegian kroner at the weighted average exchange rate for the period. The Group hedges its foreign currency in the form of forward contracts. Hedge accounting has not been applied. The contracts are settled continuously throughout the year and if the contract extends over the period end, it is recognized in the financial statements at fair value.

(Amounts in NOK thousand)

Foreign currency sensitivity	2024		2023		
	Changes in currency	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
EUR	+10%	(112,259)	(87,562)	(253,166)	(197,469)
	-10%	112,259	87,562	253,166	197,469
NOK	+10%	(53,014)	(41,351)	(90,837)	(70,853)
	-10%	53,014	41,351	90,837	70,853
SEK	+10%	(90,976)	(70,961)	(98,782)	(77,050)
	-10%	90,976	70,961	98,782	77,050

DETERMINATION OF FAIR VALUE

The carrying amount of cash and cash equivalents and bank overdrafts is fair value. Similarly, the carrying amount of accounts receivable and accounts payable approximates fair value as the impact of discounting is not significant. The fair value of capital leases is calculated as the present value of estimated cash flows discounted at the interest rate applicable for the corresponding assets and liabilities at the balance sheet date.

The fair value of long-term debt is similar to the par value plus accrued interest.

(Amounts in NOK thousand)

Assets/Liabilities carried at fair value	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss						
FX derivatives	-	4	-	-	(1)	-
Total	-	4	-	-	(1)	-

THE FAIR VALUE HIERARCHY

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At year-end, XXL have outstanding FX forward contracts to buy USD 15 million and selling NOK and EUR in 26 contracts. Duration of the contracts are typically 1-12 months.

(Amounts in NOK million)

Classification of financial assets and liabilities

Financial instruments	2024	2023
Financial assets at amortized cost		
Trade receivables	73	98
Cash and cash equivalents	166	406
Total current financial assets	239	505

At fair value through profit or loss

FX derivatives	4	(1)
Total financial assets (+) / liabilities (-) at fair value through profit or loss	4	(1)

Other Liabilities at amortised cost

Interest bearing debt	1,363	1,258
Lease liability	1,964	2,113
Accounts payable and other short-term debt	1,505	1,468
Total other financial liabilities	4,832	4,839

Note 21 - Capital management**CAPITAL MANAGEMENT POLICY AND EQUITY**

The main objective of the Group's capital management is to ensure that the Group maintains strong credit ratings and thus affordable financing terms that are reasonable in relation to its activities. The Group manages its capital structure and makes necessary changes to it based on a current assessment of the financial condition of the business and prospects in the short and medium term.

Net debt is defined as interest-bearing debt (current and non-current), excluding lease liability, less cash. This definition is in line with our financial covenants. Equity includes all capital and reserves, paid and earned.

DIVIDEND POLICY

The Board of Directors has a long-term dividend policy with a target pay-out ratio of 40-50 per cent of the Group's annual, normalised net income.

(Amounts in NOK million)

	2024	2023
Interest bearing debt excluding lease liability	1,363	1,258
(-) Cash and cash equivalents	166	406
Net debt	1,196	852
Equity	1,201	2,310
Total equity and net debt	2,397	3,162

Note 22 - Interest bearing debt

(Amounts in NOK million)

Non-Current interest-bearing liabilities	2024	2023
Bank loan	825	276
Deferral of Swedish tax payments	216	-
Lease liabilities	1,376	1,528
Non-current interest-bearing liabilities	2,417	1,804

Current interest-bearing liabilities	2024	2023
Bank loan	187	640
Deferral of Swedish tax payments	135	366
Lease liabilities	588	585
Current interest-bearing liabilities	910	1,590

Total interest-bearing debt	3,327	3,394
Total interest-bearing debt, excluding lease liabilities	1,363	1,258

The fair value of current and non-current debt approximately their carrying amount.

The Group has a long-term loan from a consortium of banks consisting of Nordea Bank Norge ASA and DNB Bank ASA with an undrawn balance of NOK 175 million as of 31 December 2024 (2023: NOK 354 million). The bank loans are denominated in NOK, SEK and EUR and indexed to NIBOR, STIBOR and EURIBOR plus a margin. As of 31 December 2024 the margin is 4.25% (2023: 4.25%).

Covenants

The Group is required to comply with the following covenants as of 31 December 2024:

- Minimum liquidity of NOK 200 million.
- The maximum amount of drawing is limited to 50% of the consolidated inventory book value.

The Group has complied with these covenants as of 31 December 2024, and 2023 and the next measurement date will be at the end of the next annual reporting period.

XXL is also subject to non-financial covenants ordinarily used in the market, such as compliance with certain governance and environmental requirements, among others. The Group has complied with these covenants as of December 31, 2024 and 2023.

In 2024, the Group secured a fully guaranteed NOK 200 million bridge loan from DNB Bank ASA and Nordea Bank Abp, drawing NOK 187 million. The loan is indexed to NIBOR and matures in March 2025. The covenant of minimum liquidity of NOK 200 million apply also for the bridge loan.

Swedish tax payments

In 2023, XXL received a temporary deferral of Swedish tax payments for 2021, which resulted in a tax repayment for that year in the amount of SEK 345 million. In August 2024, XXL received a further deferral from the Swedish tax authorities against a 36 months payment plan. XXL has recorded the deferred tax payment as net interest bearing debt. The 36 monthly installments commenced in October 2024. In 2024 XXL repaid NOK 31 million on the Swedish tax liability.

Contractual maturities

The following table shows the maturity schedule of the Group's financial liabilities based on undiscounted contractual payments. In cases where the other party can demand early redemption, the amount is included in the earliest period payment that can be demanded. If liabilities are redeemed on demand, they are presented in the first time band:

(Amounts in NOK million)

Financial liabilities 31.12.2024	2025	2026	2027	2028 onwards	Total remaining period
Bank loan	187	-	825	-	1,012
Deferral of Swedish tax payments	135	122	92	-	349
Interest	71	68	6	-	145
Lease liabilities	603	478	410	689	2,179
Total	996	668	1,333	689	3,685

Financial liabilities 31.12.2023	2024	2025	2026	2027 onwards	Total remaining period
Bank loan	640	276	-	-	916
Deferral of Swedish tax payments	366	-	-	-	366
Interest	39	12	-	-	51
Lease liabilities	446	466	374	826	2,113
Total	1,491	754	374	826	3,445

Reconciliation of interest bearing debt	2024	2023
Balance at 01.01	3,394	3,731
Repayments of debt	(249)	(1,009)
Proceeds from debt	317	247
Proceeds from deferral of Swedish tax payments	-	366
Repayment of Swedish tax payments	(18)	-
Payments of leases liabilities	(661)	(607)
Changes with cash effect	(611)	(1,002)
Lease recognized in the period	408	417
Adjustment lease hold for sale	-	102
Interest expense on leases	79	86
Amortisation of transaction cost of bank loan	1	7
Foreign exchange effects from bank loans and lease liabilities	55	54
Changes with non-cash effect	544	666
Balance at 31.12	3,327	3,394

Note 23 - Discontinued Operations

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

The decision was to exit the Austrian market during 2023 and the management considered that the disposal Group was available for immediate sale in its present condition. Austria was 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. All XXL stores and operations in the Austrian market were closed during 2023.

(Amounts in NOK million)

	2024	2023
Operating Revenue	-	229
Cost of goods sold	-	169
Personnel expenses	-	60
Other operating expenses	-	108
Depreciation	-	52
Impairment losses	-	54
Total Operating Expenses	-	443
Operating income	-	(214)
Net financial expenses	-	5
Income before tax	-	(209)
Income tax expense	-	3
Net income from discontinued operations	-	(206)
Cash flows from discontinued operations		
Net cash flow from operating activities	-	28
Net cash flow from investing activities	-	-
Net cash used in financing activities	-	(33)
Net decrease in cash and cash equivalents	-	(5)

Note 24 - Subsequent events

In January 2025, XXL announced that the largest shareholders of the Company have agreed to the terms and conditions of a fully underwritten rights issue (the "Rights Issue") of 60,000,000 new shares in the Company in the amount of NOK 600 million at a subscription price of NOK 10 per share in XXL ASA. The net proceeds from the Rights Issue will be used to repay the NOK 200 million bridge loan and for working capital investments. In February, The Financial Supervisory Authority of Norway (Nw. Finanstilsynet) approved the prospectus prepared in connection with the Rights Issue and the listing of up 2,890,000 new shares to be issued in connection with the settlement of the underwriting fee to the underwriters and the guarantee fee to the bridge loan guarantors (note 10 and 22).

In February 2025, XXL 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.

In February 2025, XXL completed the buy back of own shares for the purpose of meeting obligations arising from the Company's restricted share units program for 2022 (note 3). The Company acquired 2,531 shares for an average price of NOK 12,9855 per share.

In February 2025, XXL has agreed with the participants to terminate the new long term management investment program (the "New Investment Program"), due to disagreements between valuation experts in the implementation phase. The participants in the New Investment Program were offered the opportunity to invest in a newly established management

investment company, XXL Management Invest II AS ("XMI II"), which in turn was intended to invest in financial instruments having a value that was linked to the value of the XXL shares. Following the termination, XMI II will be liquidated and the funds contributed to that company will be repaid to the participants.

In March 2025, XXL completed the share capital decrease of the Company by NOK 982,966,225.50, from NOK 985,429,800 to NOK 2,463,574.50, through a decrease of the nominal value of the shares by NOK 39.9, from NOK 40 to NOK 0.10.

In March 2025, XXL completed the underwritten rights issue of 60,000,000 new shares in the Company, each with a nominal value of NOK 0.10, at a subscription price of NOK 10 per share (the "Rights Issue"). The share capital increases pertaining to the issuance of (i) 60,000,000 new shares, divided into 48,688,716 ordinary class A shares ("A Shares") and 11,311,284 non-voting class B shares ("B Shares") in the Rights Issue, (ii) 1,889,997 new shares, divided into 1,533,689 A Shares and 356,308 B Shares in connection with the settlement of underwriting commission, and (iii) issuance of the 1,000,000 new shares, divided into 260,920 A Shares and 739,080 B Shares in connection with the settlement of commission to the bridge loan guarantors have today been registered with the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret). Following the share capital increase, the share capital of the Company is NOK 8,752,574.20, divided into 70,474,705 ordinary shares (class A shares) and 17,051,037 non-voting shares (class B shares), in total 87,525,742 shares, each with a nominal value of NOK 0.10.

XXL

Financial Statements XXL ASA



Integrated Annual report 2024

**Sports
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Financial Statements XXL ASA

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Statement of Income

XXL ASA

(Amounts in NOK million)

	Note	2024	2023
Operating revenue		-	-
Personnel expenses	2	1	3
Other operating expenses	6	54	40
Impairment of shares in subsidiaries	4	2,172	522
Total operating expenses		2,227	565
Operating income		(2,227)	(565)
Other financial income		17	18
Interest income group companies	6	15	6
Total financial income		31	24
Interest expense to group companies	6	9	41
Other financial expense		23	25
Total financial expense		32	66
Net financial income (expense)		(1)	(42)
Income before income taxes		(2,228)	(606)
Tax expense	3	26	-
Net income		(2,254)	(606)
Allocation of net income			
Other equity		(2,254)	(606)
Total allocated		(2,254)	(606)

Balance Sheet

XXL ASA

Assets

(Amounts in NOK million)

	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
Intangible assets			
Deferred tax assets	3	-	13
Total intangible assets		-	13
Financial assets			
Investment in subsidiaries	4	924	3,095
Total financial assets		924	3,095
Total non-current assets		924	3,108
CURRENT ASSETS			
Other receivables			
Trade and other receivables		1	18
Receivables from group companies	5	909	514
Total other receivables		910	532
Cash and cash equivalents			
Cash and equivalents	7	-	-
Total cash and cash equivalents		-	-
Total current assets		910	533
Total assets		1,834	3,641

Balance Sheet

XXL ASA

Equity and liabilities

(Amounts in NOK million)

	Note	31.12.2024	31.12.2023
EQUITY			
Paid-in capital			
Share capital	8,10	985	665
Share premium	8,10	4,166	3,938
Own shares	8,10	-	-
Total paid-in capital		5,151	4,603
Retained earnings			
Other equity	10	(3,657)	(1,403)
Total retained earnings		(3,657)	(1,403)
Total equity		1,495	3,200
LIABILITIES			
Non-current liabilities			
Total non-current liabilities		-	-
Current liabilities			
Interest bearing debt	9	179	-
Accounts payable		5	2
Public duties payable		(2)	(1)
Liabilities to group companies	5	145	440
Other current liabilities		12	-
Total current liabilities		339	441
Total liabilities		339	441
Total equity and liabilities		1,834	3,641

Oslo,
28 April 2025

Signed

Björn Einar Håkan Lundstedt
Chairman of the Board

Signed

Tor Andrin Jacobsen
Board Member

Signed

Tom Christian Jovik
Board Member

Signed

Kari Ekelund Thørud
Board Member

Signed

Kjell-Arne Fikerud
Board Member

Signed

Petra Elisabeth Axdorff
Board Member

Signed

Kine Skjønberg Ludvigsen
Board Member

Signed

Ronny Blomseth
Board Member

Signed

Freddy Sobin
Managing Director

Statement of Cash Flows

XXL ASA

(Amounts in NOK million)

	Note	2024	2023
OPERATING ACTIVITIES			
Income before income taxes		(2,228)	(606)
Income tax paid		-	-
Depreciation		-	-
Changes in group receivables/ (payables)		10	(864)
Impairment of shares in subsidiaries		2,172	522
Changes in other assets and liabilities		14	(19)
Net cash flow from operating activities		(32)	(966)
INVESTING ACTIVITIES			
Investment in subsidiaries		(1)	(7)
Payment from cash pool arrangement		(384)	-
Net cash used in investing activities		(385)	(7)
FINANCING ACTIVITIES			
Net proceeds share issue	10	546	974
Payment from cash pool arrangement		(316)	-
Proceeds from short term borrowings		187	-
Net cash provided by financing activities		417	974
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents - beginning of year		-	-
Cash and cash equivalents at end of year		-	-

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the financial statements

Note 1 - Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

Assets intended for long term ownership or use have been classified as fixed assets. Assets expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle have been classified as current assets. Receivables are classified as current assets if they are expected to be realised within twelve months after the transaction date. Similar criteria apply to liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are reflected at nominal value.

Fixed assets are carried at historical cost. Fixed assets are written down to net realizable value if a value reduction occurs which is not expected to be temporary. Except for accruals,

long term liabilities are reflected in the balance sheet at nominal value on the establishment date. Accruals are discounted to present value if the time value of money is material.

FOREIGN CURRENCY

Foreign currency transactions are translated into Norwegian kroner using the exchange rate prevailing at the date of the transaction (spot exchange rate), while monetary items denominated in foreign currencies are translated at the rate per the balance sheet date.

TRADE RECEIVABLES

Trade and other receivables are recorded at their nominal value less a provision for losses.

TAX

Tax expense in the income statement includes the change in the deferred tax asset. Deferred tax is calculated at 22% based on the temporary differences between accounting and tax values, as well as any tax loss carryforwards at the end of the financial year. Taxable and non-taxable temporary differences that reverse or may reverse in the same period are offset. Recognition of the deferred tax asset on net deductible temporary differences that are not offset and carried forward is based on estimated future earnings. If a deferred tax asset that can be recognized, it is classified in the balance sheet.

DEPOSITS

Receivable/payable cash pooling arrangements are classified as balances with group companies. All figures are stated in NOK million unless otherwise stated.

STATEMENT OF CASH FLOWS

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Note 2 - Personnel expenses

The Company had no employees in 2024.

There were no loans or guarantees given to the CEO, Chair-
man of the Board or other related parties.

Description of the option program and other incentive pro-
grammes are disclosed in note 3 in the Group Consolidated
Financial Statements.

Remuneration and number of shares held of by the Board of Directors

(Amount in NOK thousands)

Name	Position	Number of shares in XXL ASA	Remuneration 2024
Björn Einar Håkan Lundstedt	Chairman of the Board	-	535
Tom Christian Jovik ^(a)	Board member and Chairman of the Audit Committee	-	445
Kari Ekelund Thørud	Board member	-	410
Ronny Blomseth	Board member	28,245	370
Petra Elisabeth Axdorff	Board member	-	-
Kine Skjønberg Ludvigsen	Board member (employee representative)	36	-
Tor Andrin Jacobsen	Board member (employee representative)	1,200	80
Kjell-Arne Fikerud	Board member (employee representative)	-	60
Kjersti Hobøl ^(b)	ex-Board member	2,013	470
Helena Ebersten Henriksen ^(b)	ex-Board member (employee representative)	334	60
Kai Arne Nordhaug ^(c)	ex-Board member (employee representative)	-	20
Cristina Moreno ^(c)	ex-Board member (employee representative)	402	20
Total remuneration paid		32,230	2,470

^(a) Tom Jovik represents Altor in the BoD. Altor Invest 5 AS and Altor Invest 6 AS combined owns 6,663,793 ordinary shares (A shares) and 4,644,365 non-voting
shares (B shares) in XXL ASA. Remuneration is paid to Altor and not Tom Jovik personally.

^(b) Members of the Board of Directors until May 2024.

^(c) Members of the Board of Directors until November 2023.

Number of shares held of by the
Chief Executive Officer

Name	Position	Number of shares in XXL ASA
Freddy Sobin	CEO	-

Related parties of the Board of Directors and the Chief
Executive Officer do not own shares in XXL ASA.

Audit fees (figures in NOK thousand)		
Divided by type of service (exclusive of VAT)		
	2024	2023
Statutory audit	1,180	1,317
Other certification services	1,185	-
Tax related services	225	-
Other non-auditing services	1,219	510
Total fees	3,809	1,827

Note 3 - Tax

Income tax expense for the year

(Amount in NOK thousands)

Basis for tax payable	2024	2023
Income before tax	(2,228)	(606)
Permanent differences	2,157	513
Change in temporary differences	-	-
Interest limitation rules	-	-
Basis for tax payable	(71)	(94)

Tax payable in the statement of income	-	-
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Taxable income	-	-
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Tax payable in the balance sheet	-	-
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Tax expense for the year

Tax payable	-	-
Change in deferred tax	(16)	21
Unrecognised deferred tax assets	41	(21)
Total tax expense	26	-

Reconciliation of the Norwegian statutory tax rate of 22% and the effective tax rate

Basis for tax payable	2024	2023
Income before tax	(2,228)	(606)
22 % tax of income before tax	(490)	(19)
Permanent differences (22%)	475	(2)
Unrecognised deferred tax assets	41	21
Total tax expense	26	-
Effective tax rate	-1.1%	0.0%

Specification of temporary differences

Asset (-)/liability	2024	2023
Amortization of loan expenses	(8)	-
Total temporary differences	(8)	-

Tax loss carry forward	211	(105)
Basis for deferred tax assets/liability	203	(105)
Basis for deferred tax assets/liability, not recognized	(203)	45
Deferred tax assets (+) / liability (-) in the balance sheet	-	13

Note 4 - Investment in subsidiaries

The Company has ownership interests in the following subsidiaries:

	Year of acquisition	Business location	Ownership percentage	Equity (100%) 31.12.2024	Net income (100%) 31.12.2024	Carrying value 31.12.2024
XXL Sport & Villmark AS	2015*	Oslo	99.3%	(1,379)	(797)	923
XXL Holding ASA	2024	Oslo	100%	1	-	1

The investment is booked using the cost method, less an impairment for the year of NOK 2,172 million.
*The subsidiary Gigasport AS was merged into parent XXL ASA in 2015. XXL Sport & Villmark AS was from then directly owned by XXL ASA.

Note 5 - Balances with group companies

The Company has the following receivables and liabilities with group companies:

Liabilities	2024	2023
Other current liabilities	103	106
Cash pool arrangement	-	316
Accounts payable	42	18
Total liabilities to group companies	145	440
Receivables	2024	2023
Other current receivables from group companies	525	514
Cash pool arrangement	384	-
Total receivables from group companies	909	514

Liabilities and receivables in the cash pool arrangement are interest bearing.
Other liabilities and receivables to/from group companies are not interest bearing. The cash pool arrangement is owned by XXL Sport & Villmark AS.

Note 6 - Related party transactions

Management remuneration is included in note 2 and intercompany balances are discussed in note.

The Company's transactions with related parties are as follows:

Interest income	2024	2023
XXL Sport og Villmark AS	-	-
XXL Management Invest AS	6	5
Total interest income	6	5
Interest expense	2024	2023
XXL Sport & Villmark AS	9	41
Total interest expense	9	41
Other operating expenses	2024	2023
Administrative services	24	19
Total operating expenses with related parties	24	19

Note 7 - Cash and cash equivalents

Cash and cash equivalents include the following items:

	2024	2023
Cash and cash equivalents	-	-
Total cash and equivalents	-	-

The Company is a part of a cash pool arrangement with XXL Sport and Villmark AS and other Group companies.

The Company's share of the cash pool is positive NOK 384 million per the balance sheet date.

The Cash pool balance is classified as Receivables from Group companies in the balance sheet.

Note 8 - Share capital and shareholder information

The share capital of XXL is NOK 985,429,800 consisting of 24,635,745 shares in total being 19,991,380 ordinary shares (A shares) and 4,644,365 non-voting shares (B shares) with a par value of NOK 40 each, as of 31 December 2024.

	Total amount of shares	Ownership	Voting rights
ALTOR INVEST 5 AS	5,654,079	23.0 %	16.7 %
ALTOR INVEST 6 AS	5,654,079	23.0 %	16.7 %
Euroclear Bank S.A./N.V.	3,317,802	13.5 %	16.6 %
HSBC Bank Plc	3,043,417	12.4 %	15.2 %
FERD AS	2,527,373	10.3 %	12.6 %
FUNKYBIZ AS	457,142	1.9 %	2.3 %
BJERKNES EIENDOM AS	359,183	1.5 %	1.8 %
MP PENSJON PK	286,727	1.2 %	1.4 %
NORDKRONEN II AS	284,605	1.2 %	1.4 %
STORMBERG GROUP AS	189,568	0.8 %	0.9 %
Avanza Bank AB	171,404	0.7 %	0.9 %
Nordnet Bank AB	112,144	0.5 %	0.6 %
ARVO INVEST AS	97,076	0.4 %	0.5 %
Skandinaviska Enskilda Banken AB	62,390	0.3 %	0.3 %
STANZA AS	61,199	0.2 %	0.3 %
Nordea Bank Abp	49,281	0.2 %	0.2 %
Skandinaviska Enskilda Banken AB	47,327	0.2 %	0.2 %
NYE BERGHOL INVEST AS	37,500	0.2 %	0.2 %
PEDERSEN, THOR IDAR	33,688	0.1 %	0.2 %
SVENSKA HANDELSBANKEN AB	30,921	0.1 %	0.2 %
Other	2,158,840	8.8 %	10.8 %
Total	24,635,745	100%	100%

Note 9 - Interest-bearing debt

In 2024, the Group secured a fully guaranteed NOK 200 million bridge loan from DNB Bank ASA and Nordea Bank Abp, drawing NOK 187 million. The loan is indexed to NIBOR and matures in March 2025.

There is a covenant of minimum liquidity of NOK 200 million.

Note 10 - Equity

	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2024	665	3,938	(1,403)	3,200
Loss for the year	-	-	(2,254)	(2,254)
Changes in equity contributed	320	227	-	547
Equity 31.12.2024	985	4,165	(3,657)	1,493

Note 11 - Subsequent events

In January 2025, XXL announced that the largest share-holders of the Company have agreed to the terms and conditions of a fully underwritten rights issue (the "Rights Issue") of 60,000,000 new shares in the Company in the amount of NOK 600 million at a subscription price of NOK 10 per share in XXL ASA. The net proceeds from the Rights Issue will be used to repay the NOK 200 million bridge loan and for working capital investments. In February, The Financial Supervisory Authority of Norway (Nw. Finanstilsynet) approved the prospectus prepared in connection with the Rights Issue and the listing of up to 2,890,000 new shares to be issued in connection with the settlement of the underwriting fee to the underwriters and the guarantee fee to the bridge loan guarantors.

In February 2025, XXL 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.

In February 2025, XXL completed the buy back of own shares for the purpose of meeting obligations arising from the Company's restricted share units program for 2022 (note 3). The Company acquired 2,531 shares for an average price of NOK 12,9855 per share.

In March 2025, XXL completed the share capital decrease of the Company by NOK 982,966,225.50, from NOK 985,429,800 to NOK 2,463,574.50, through a decrease of the nominal value of the shares by NOK 39.9, from NOK 40 to NOK 0.10.

In March 2025, XXL completed the underwritten rights issue of 60,000,000 new shares in the Company, each with a nominal value of NOK 0.10, at a subscription price of NOK 10 per share (the "Rights Issue"). The share capital increases pertaining to the issuance of (i) 60,000,000 new shares, divided into 48,688,716 ordinary class A shares ("A Shares") and 11,311,284 non-voting class B shares ("B Shares") in the Rights Issue, (ii) 1,889,997 new shares, divided into 1,533,689 A Shares and 356,308 B Shares in connection with the settlement of underwriting commission, and (iii) issuance of the 1,000,000 new shares, divided into 260,920 A Shares and 739,080 B Shares in connection with the settlement of commission to the bridge loan guarantors have today been registered with the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret). Following the share capital increase, the share capital of the Company is NOK 8,752,574.20, divided into 70,474,705 ordinary shares (class A shares) and 17,051,037 non-voting shares (class B shares), in total 87,525,742 shares, each with a nominal value of NOK 0.10.

APMs 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 InterestBearing 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, longterm 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.

	FY24	FY23
EBIT	(1,371)	(1,409)
(+) Impairment Losses	670	576
EBIT adj	(701)	(833)

NET INCOME ADJ

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

	FY24	FY23
Net income	(1,717)	(1,590)
(+) Impairment Goodwill	670	576
Net Income adj	(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.

	FY24	FY23
Operating Income	(1,371)	(1,409)
(+) Depreciation	775	754
(+) Impairment losses	670	576
EBITDA	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.

	FY24	FY23
Operating revenue	7,183	7,961
(-) Cost of goods sold	(4,603)	(5,452)
(=) Gross profit	2,580	2,508
Gross margin	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.

	FY24	FY23
Other operating expenses	945	931
(+) Personnel expenses	1,560	1,657
= OPEX	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
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
(+) 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.

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.

FY 24	XXL Group	Norway	Sweden	Finland	HQ & logistics
EBITDA Reported	73	484	114	48	(572)
IFRS 16 effects OPEX	(642)	(259)	(197)	(130)	(56)
EBITDA ex IFRS 16 effects	(568)	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)



To the General Meeting of XXL ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of XXL ASA (the «Company») included in ESRS Sustainability Statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in subsection Double Materiality Assessment (DMA) within the General Information section; and
- compliance of the disclosures in subsection EU Taxonomy within the Environmental Information section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in subsection Double Materiality Assessment (DMA) within the General Information section of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in subsection EU Taxonomy within the Environmental Information section of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in subsection Double Materiality Assessment (DMA) within the General Information section.



Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in Double Materiality Assessment (DMA).

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
 - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;



- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 28 April 2025

PricewaterhouseCoopers AS

Vidar Lorentzen
State Authorised Public Accountant – Sustainability Auditor
(This document is signed electronically)



To the General Meeting of XXL ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of XXL ASA, which comprise:

- the financial statements of the parent company XXL ASA (the Company), which comprise the Balance Sheet as at 31 December 2024, the Statement of Income and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of XXL ASA and its subsidiaries (the Group), which comprise the Statement of Financial Position as at 31 December 2024, the Statement of Income and Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of XXL ASA for 14 years from the election by the general meeting of the shareholders on 3 February 2011 for the accounting year 2011, with a renewed election on 4 June 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



The Group's business activities are largely unchanged compared to last year. *Valuation of inventories*, *Recognition of supplier bonuses* and *Impairment of goodwill* have the same characteristics and risks as in the prior year and therefore continue to be areas of focus this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Valuation of inventories</p> <p>The Group's Inventory amounts to NOK 1 818 million at the balance sheet date. A total obsolescence write-down of NOK 204 million was recognised in 2024.</p> <p>Inventory is carried at the lower of cost and net realisable value in accordance with IAS 2. Valuation of inventory at net realisable value requires exercise of management judgement. The judgement specifically relates to detailed assessments of factors such as age distribution of inventory items, whether the goods are part of an active or expired product range, and historical levels of obsolescence, as well as the current market situation.</p> <p>We consider valuation of inventory to be a key audit matter due to the high volume and heterogeneity of merchandise, the significance to the financial statements, as well as the judgement involved in determining the inventory's net realisable value.</p> <p>See "Note 8 - Inventories" where management explains how they account for inventories.</p>	<p>We evaluated management's policy for assessing the valuation of inventory. We evaluated whether management's assessment was corroborated by supporting documentation and challenged management's assumptions. We also observed several stocktakings, both in stores and in the central warehouses. In addition to observing the physical count, this allowed us to make our own observations of obsolete, damaged or aging inventory.</p> <p>Our procedures included reviewing whether management applied valuation policies consistently year-on-year. We obtained an overview of the aging profile of the inventory, and an assessment of whether the goods were part of an active or expired product range, which were all key inputs in management's estimation of net realisable value. Our audit procedures included tracing relevant inputs used in the calculation to supporting documentation, and challenging management on key assumptions.</p> <p>We also reviewed the disclosures in "Note 8 - Inventories" and found them to be appropriate.</p> <p>We noted no material errors as a result of our audit procedures.</p>
<p>Recognition of supplier bonuses</p> <p>The Group receives various types of supplier bonuses from its suppliers, as further disclosed in "Note 8 - Inventories". The bonuses represent a significant component of the cost of inventory and the cost of sales.</p> <p>The supplier bonus agreements include volume-related bonuses, promotional and marketing allowances and various other fees and discounts received in connection with the purchase of goods for resale from suppliers. The Group recognises supplier bonuses as a reduction in cost of sales when the performance obligations associated with the allowances have been met, for example when the product has been sold or when the marketing campaign has been held.</p>	<p>We obtained management's calculation of estimated supplier bonuses. We read and understood a sample of supplier agreements to gain an understanding of key terms in the agreements.</p> <p>Our audit procedures included testing of completeness and accuracy of inputs to the calculations. To challenge management on the assumed volumes in the estimates, we considered, among other things, actual purchase volumes, terms in the agreements and the historical accuracy of management's estimates. Further, we tested the recoverability of invoiced supplier bonuses including the supplier bonus accruals.</p> <p>We reviewed management's technical assessment and method to calculate the volume-based supplier</p>



We consider recognition of supplier bonuses to be a key audit matter because of the magnitude of amounts involved, and the judgement required from management to determine the nature and level of fulfillment of the Group's performance obligations at the balance sheet date under the various supplier agreements, and to recognise the amounts in the correct period. Furthermore, estimating fulfillment of supplier bonuses is subject to an inherent risk of error as it requires complete and accurate data on purchase and sales volumes, as well as a detailed understanding of the underlying contractual arrangements.

Impairment of goodwill

On 31 December 2024, the Group had goodwill with a carrying value of NOK 1 552 million. The recognised goodwill is subject to annual impairment review as required by the IFRS Accounting Standards. A total impairment of NOK 670 million was recognised in 2024.

We considered impairment of goodwill to be a Key Audit Matter due to the significance to the financial statements and because valuation of goodwill is complex and requires application of management judgement. Specifically, management applies judgement related to assumptions such as future revenue, costs and the level of reinvestment needed. Judgement is also applied in determining the discount rate.

See "Note 5 - Intangible assets" where management explains how they account for goodwill and their impairment test.

bonuses. For a sample of supplier contracts, we also tested the classification of the related allowances, based on specific elements in supplier contracts.

We also reviewed the disclosures in "Note 8 - Inventories" and found them to be appropriate.

We noted no material errors as a result of our audit procedures.

We obtained management's impairment review and assessed whether it contained the elements required by the IFRS Accounting Standards.

We engaged experts with specialised skills and knowledge of valuations methods to evaluate management's impairment review. The experts helped us challenge the key assumptions in the underlying cash flow forecasts. We tested assumptions related to future revenues, margins, costs and level of reinvestment levels against historical financial data, board-approved budgets, and market information, including relevant benchmarks for growth estimates and gross margins. Additionally, we tested the mathematical accuracy of the cash flow models.

We conducted several meetings with management to challenge and test the accuracy of historical impairment assessments, market trends and margins in the sport retail market, as well as initiatives aimed at strengthening XXL's future performance. We evaluated the discount rate used by management by comparing its composition to empirical external data, including future interest rates, relevant risk premium and debt ratios.

Finally, we assessed the adequacy of financial statements disclosures in "Note 5 - Intangible assets" and found them appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.



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

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of XXL ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name XXL_ASA_Annual_Report_2024.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.



Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 28 April 2025

PricewaterhouseCoopers AS

Vidar Lorentzen
State Authorised Public Accountant
(This document is signed electronically)



XXL

**Sports
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Integrated Annual report 2024