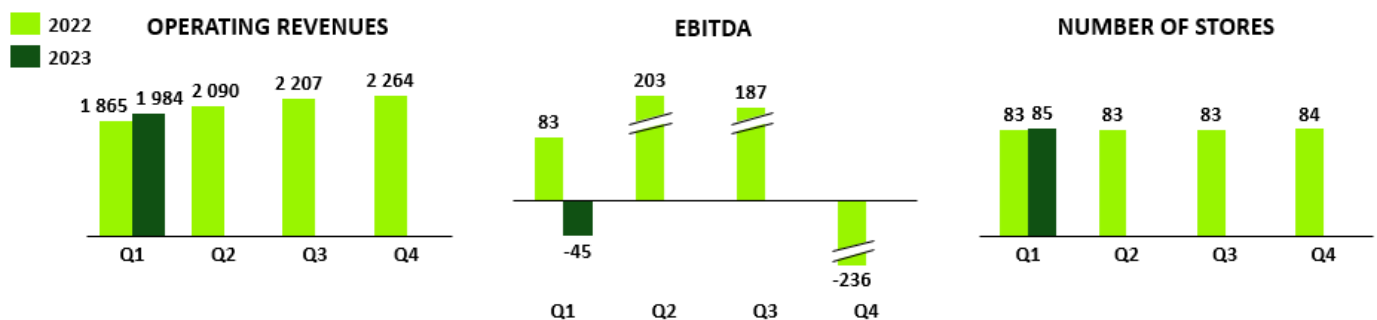


HIGHLIGHTS¹

- Lower demand for sporting goods and high inventory in the industry
- Focus on clearing out inventory – normalization in the upcoming seasons
- Growth of 6 per cent and gaining market shares
- High share of clearance activities impacting the gross margin
- EBITDA of minus NOK 45 million (NOK 83 million)

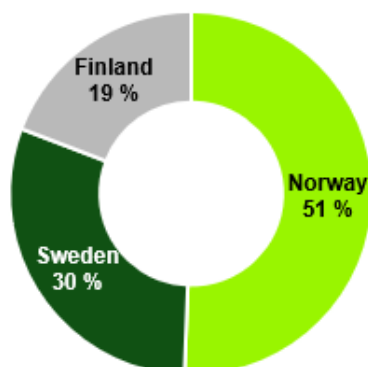


1) Please refer to definitions at the end of the report for descriptions of alternative performance measures that are used in highlights and key figures
 2) All figures in the report are referring to XXL's Continuing Operations, unless otherwise stated. Please refer to Disclosure Note 10 for figures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

KEY FIGURES GROUP – Continuing Operations

(Amounts in NOK million)	Q1 2023	Q1 2022	FY 2022
GROUP Continuing Operations - Figures adjusted for additional write-down and impairment losses)			
Operating revenue	1 984	1 865	8 426
Growth (%)	6,4 %	-10,4 %	-12,2 %
Gross profit (adj.)	622	712	3 022
Gross margin (adj.) (%)	31,4 %	38,2 %	35,9 %
Additional write-down of inventory	-	-	301
OPEX %	33,6 %	33,7 %	29,5 %
EBITDA (adj.)	-45	83	538
EBITDA margin (adj.) (%)	-2,3 %	4,4 %	6,4 %
Impairment losses	-	1	1
EBIT (adj.)	-239	-111	-165
EBIT margin (adj.) (%)	-12,0 %	-6,0 %	-2,0 %
Net Income adj	-225	-136	-109
**Earnings per share (adj)	-0,75	-0,53	-0,43
GROUP Continuing Operations (Reported Figures)			
Gross profit	622	712	2 721
Gross margin (%)	31,4 %	38,2 %	32,3 %
EBITDA	-45	83	237
EBITDA margin (%)	-2,3 %	4,4 %	2,8 %
EBIT	-239	-113	-467
EBIT margin (%)	-12,0 %	-6,0 %	-5,5 %
Net Income	-225	-137	-411
**Basic Earnings per share (NOK)	-0,75	-0,54	-1,63
**Average number of shares (1 000 shares)	301 549	252 437	252 437
Cash provided by operating activities	-57	-47	682
Like for like revenue growth	3,0 %	-9,8 %	-12,1 %
Number of stores at period end	85	83	84
New stores in the period	1	-	2
Closed stores in the period	-	1	2

Revenue Split



**Earnings per share: See Note 5.

KEY FIGURES SEGMENTS

<i>(Amounts in NOK million)</i>	Q1 2023	Q1 2022	FY 2022
Norway*			
Operating revenue	1 004	981	4 394
Growth (%)	2,4 %	-4,5 %	-10,2 %
Gross profit (adj.)	330	392	1 671
Gross margin (adj.) (%)	32,9 %	40,0 %	38,0 %
Additional write-down of inventory	-	-	136
Gross profit	330	392	1 535
Gross margin (%)	32,9 %	40,0 %	34,9 %
OPEX %	23,4 %	23,0 %	19,9 %
EBITDA (adj.)	95	166	797
EBITDA margin (adj.) (%)	9,5 %	17,0 %	18,1 %
EBITDA	95	166	661
EBITDA margin (%)	9,5 %	17,0 %	15,1 %
Number of stores at period end	38	37	38
New stores in the period	-	-	1
Closed stores in the period	-	-	-
Sweden			
Operating revenue	599	540	2 488
Growth (%)	10,9 %	-16,3 %	-16,0 %
Gross profit (adj.)	167	190	816
Gross margin (adj.) (%)	27,8 %	35,1 %	32,8 %
Additional write-down of inventory	-	-	103
Gross profit	167	190	713
Gross margin (%)	27,8 %	35,1 %	28,7 %
OPEX %	28,9 %	30,4 %	27,4 %
EBITDA (adj.)	-7	26	135
EBITDA margin (adj.) (%)	-1,1 %	4,7 %	5,4 %
EBITDA	-7	26	32
EBITDA margin (%)	-1,1 %	4,7 %	1,3 %
Number of stores at period end	30	29	29
New stores in the period	1	-	1
Closed stores in the period	-	1	2

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

KEY FIGURES SEGMENTS – cont.

(Amounts in NOK million)

	Q1 2023	Q1 2022	FY 2022
Finland			
Operating revenue	381	344	1 543
Growth (%)	10,7 %	-15,8 %	-11,5 %
Gross profit (adj.)	126	130	536
Gross margin (adj.) (%)	32,9 %	37,8 %	34,7 %
Gross profit	126	130	474
Gross margin (%)	32,9 %	37,8 %	30,7 %
Additional write-down of inventory	-	-	62
OPEX %	29,2 %	29,3 %	25,4 %
EBITDA (adj.)	14	29	144
EBITDA margin (adj.) (%)	3,7 %	8,5 %	9,3 %
EBITDA	14	29	82
EBITDA margin (%)	3,7 %	8,5 %	5,3 %
Number of stores at period end	17	17	17
New stores in the period	-	-	-
Closed stores in the period	-	-	-
HQ & logistics			
EBITDA	-148	-138	-538
EBITDA margin (% of Group revenues)	-7,5 %	-7,4 %	-6,4 %

Gaining market shares in difficult markets

Oslo, 25 April 2023: XXL delivered a growth of 6.4 per cent in the first quarter 2023 and total operating revenue equaled NOK 2.0 billion (NOK 1.9 billion). The industry continued to experience reduced demand for sporting goods in general and high inventory in the value chain, leading to heavy discount activities. XXL has prioritized clearing out inventory to start coming seasons with more normalized levels and in-season products. The results in the quarter were impacted by clearance campaign activities in all markets, significantly reducing the gross margin. Consequently, EBITDA ended at negative NOK 45 million (NOK 83 million).

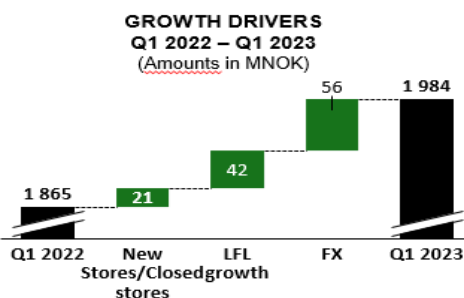
In the quarter XXL received the settlement of a private placement of NOK 500 million, which was fully used to pay down debt. Total liquidity reserve ended at NOK 438 million (NOK 820 million) and the net interest-bearing debt amounted to NOK 889 million (NOK 980 million). The inventory situation is improving and is expected to be at a normalized level during Q2 2023.

First quarter 2023 review

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

XXL's markets continued to be challenging in the first quarter 2023 driven by low consumer confidence and reduced demand for sporting goods in general. The market was characterized by high inventory levels in the whole value chain, resulting in aggressive pricing and excessive campaign activities. Under such retail conditions XXL has prioritized clearing out inventory and sales actions over gross margins to start upcoming seasons with more normalized inventory levels and in-season products.

Total operating revenue for the Group in the first quarter 2023 ended at NOK 1 984 million (NOK 1 865 million) which represented a growth of 6.4 per cent. All markets are impacted by the weak consumer sentiment, as most of the retail sector, and reduced demand for sporting goods. The quarter started off with negative growth in January but picked up in February and March when XXL launched clearance campaign activities. E-commerce increased by 28.7 per cent from Q1 2022 to Q1 2023, representing 27.8 per cent (23.0 per cent) of total operating revenue for the Group. Overall XXL delivered a like for like growth of 3.0 per cent in the quarter with growth in all markets. XXL gained market shares in all markets during the quarter.



Gross margin for the Group ended at 31.4 per cent in the quarter compared to 38.2 per cent in the same quarter last year. The significantly lower gross margin was mainly related

to the high campaign shares and heavy discounting. The current market demands strict focus on inventory levels and liquidity control, which will lead to fluctuations in the gross margin between quarters and seasons. XXL targets a long term sustainable gross margin around 40 per cent for the Group.

Operating expenses as percentage of sales decreased to 33.6 per cent in the first quarter this year (33.7 per cent) positively impacted by the like for like growth yielding scale in the operations. However, operating expenses increased by NOK 31 million due to negative currency translation effects of around NOK 20 million. Increased costs are related to new store openings, increased marketing spend during clearance activities as well as costs related to the raise of new equity.

The Group EBITDA in the first quarter 2023 was negative of NOK 45 million (NOK 83 million), mainly explained by significantly lower gross margin as described above and increased cost inflation.

XXL had total liquidity reserves of NOK 438 million (NOK 820 million) and a net interest-bearing debt of NOK 889 million (NOK 980 million) by the end of Q1 2023. In the quarter XXL received the settlement of a private placement of NOK 500 million, which was fully used to pay down debt. In the first quarter, XXL has chosen not to fully utilize its cash discounts towards its suppliers and thereby increased the amount of payables compared to Q1 2022. Under challenging market conditions XXL has worked on reducing the incoming volumes of goods. The inventory decreased to NOK 2 173 million (NOK 2 435 million) mainly due to reduced incoming goods as well as higher sales. The inventory level is also impacted by a reversal of the year end 2022 write-down of approximately NOK 200 million in the quarter.

XXL is currently working on adjusting costs and purchasing volumes to sales. XXL has flexibility in its agreements with suppliers and has reduced the volumes significantly for the upcoming seasons. Also, XXL will reduce its costs and the ambition is at least NOK 120 million in cost savings in 2023, but this will be partly counteracted by increased cost inflation and CPI adjustments of rental contracts. In addition, XXL

targets to reduce CAPEX, expected to be around NOK 150-200 million per year going forward. The key strategic focus is still on an ambitious E-commerce growth plan and continue improving category strategy and plans and exiting the Austrian market. The longer-term target is "40/30/10" on gross margin, OPEX and EBITDA respectively and when excluding IFRS 16 effects.

Operating segments

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

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

Norway

The Norwegian operations delivered total operating revenue of NOK 1 004 million in the first quarter 2023 compared to NOK 981 million in the same quarter last year, representing a growth of 2.4 per cent. According to market figures from SSB as of February 2023, the sales of sporting goods in Norway decreased by 1.2 per cent. The corresponding growth for XXL was 4.2 per cent. January was a challenging month, but sales picked up during clearance campaigns in February.

Gross margin was impacted by clearance campaign activities under challenging market conditions as well as higher sourcing costs. Due to these effects the gross margin decreased from 40.0 per cent in Q1 2022 to 32.9 per cent in Q1 2023.

Operating expenses as percentage of sales ended at 23.4 per cent (23.0 per cent). XXL has focused on short-term cost reductions, especially on store staffing, partly counteracted by higher marketing investments.

EBITDA amounted to NOK 95 million (NOK 166 million). The main reason for the lower EBITDA was lower gross margin, driven by high clearance campaign activities, as described above.

Sweden

According to market figures from SCB as of February 2023 the sale of sporting goods in Sweden decreased by 0.3 per cent, while the corresponding growth for XXL was 10.4 per cent in local currency. Total operating revenue for XXL in Sweden in Q1 2023 amounted to NOK 599 million (NOK 540 million). The driver was a like for like growth of 6.7 percent in local currency under weaker market conditions with lower overall demand.

Gross margin decreased to 27.8 per cent (35.1 per cent) explained by high clearance activities and campaigns, both in the market and by XXL, under challenging conditions as well as increased sourcing costs.

Operating expenses as percentage of sales ended at 28.9 per cent (30.4 per cent) explained by the like for like growth

improving scale in the operations. XXL has also executed several cost reductions related to store personnel counteracted by increased marketing costs.

On 30 March 2023 XXL opened a new store, Skellefteå, with limited sales impact for the quarter, but with full costs.

EBITDA was negative of NOK 7 million (NOK 26 million), driven by the lower gross margin.

Finland

Total operating revenue in the quarter amounted to NOK 381 million (NOK 344 million). This corresponded to a like for like growth of 1.0 per cent in local currency in a challenging market with weak consumer sentiment and low demand. January proved to be a difficult month, but sales gradually improved during the quarter fueled by increased clearance campaigns by XXL. According to market figures from TMA, the sale of sporting goods in Finland decreased by x.x per cent in Q1 2023. Hence XXL gained market shares.

Gross margin ended at 32.9 per cent (37.8 per cent) impacted by higher campaign activities in a challenging market as well as increased sourcing costs.

Operating expenses as percentage of sales ended at 29.2 per cent in Q1 2023 (29.3 per cent). During the quarter XXL has focused on cost efficiencies mostly related to store staffing but counteracted by increased marketing spend related to the clearance activities.

EBITDA ended at NOK 14 million in Q1 2023 (NOK 29 million) driven by the lower gross margins.

HQ and Logistics

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

Operating expenses were NOK 148 million (NOK 138 million) in Q1 2023. XXL has seen increased inflation on large cost elements like IT-licenses as well as costs related to the raise of new equity and consultancy. XXL is addressing the HQ cost base to adopt to the current sales development and commenced a reorganization of the HQ functions during Q1 2023. This is expected to give positive effects in H2 2023 and onwards.

Financials

Consolidated income statement

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

Total operating revenue increased by 6.4 per cent to NOK 1 984 million (NOK 1 865 million).

Total operating expenses excluding depreciation, impairment losses and cost of goods sold equaled NOK 668 million (NOK 629 million) in the first quarter. As percentage of total operating revenue of the Group, operating expenses

decreased from 33.7 per cent in the first quarter last year to 33.6 per cent in the first quarter this year.

Operating income amounted to negative NOK 239 million (negative NOK 161 million). The change is mainly explained by significantly lower gross margin as described above and increased cost inflation.

Net financial expense amounted to NOK 45 million for the first quarter (NOK 44 million) whereof NOK 22 million is related to IFRS 16 effects compared to NOK 20 million in Q1 2022. Net interest expenses ended at NOK 29 million (NOK 8 million). Net financial expenses included a positive currency effect of NOK 10 million compared to a negative currency effect of NOK 13 million last year. Other financial expenses of NOK 4 million were related to amortization of loan costs and other financial costs.

Income tax expense for the first quarter was negative NOK 58 million (negative NOK 20 million).

Profit for the period from continuing operations ended at negative NOK 225 million (negative NOK 137 million).

Profit for the period from discontinued operations ended at negative NOK 42 million (negative NOK 14 million).

Profit for the period ended at negative NOK 267 million (negative NOK 151 million)

Consolidated cash flow

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

Cash used by operating activities was at NOK 57 million (NOK 47 million) for the first quarter. The high campaign activity have resulted in a higher build-down of inventory year-over-year offset by poor results and build down of accounts payables.

Cash used by investing activities was NOK 31 million (NOK 42 million) for the first quarter. This is mainly related to opening of a new store in Skellefteå, investments in existing stores and E-commerce platform.

Cash used by financing activities amounted to NOK 232 million (cash provided of NOK 203 million) in the first quarter. The change is mainly related to drawdowns of the loan facility in Q1 2022 vs none in Q1 2023 and higher interest rates in Q1 2023. In the quarter XXL also received the settlement of a private placement of NOK 500 million, which was fully used to pay down debt.

Financial position and liquidity

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

As of 31 March 2023, total assets amounted to NOK 8 850 million (NOK 8 847 million). Total equity was NOK 3 255 million (NOK 3 509 million), resulting in an equity ratio of 36.8 per cent (40.7 per cent). Net interest bearing debt

(NIBD) ended at NOK 889 million (NOK 980 million).

The Group had cash and cash equivalents of NOK 255 million (NOK 277 million) as of 31 March 2023. The Group's liquidity reserves include total credit facilities of NOK 1 300 million where of NOK 1 150 million was used as of 31 March 2023. Available liquidity reserves as of 31 March 2023 were NOK 438 million (NOK 820 million).

New share capital

In December 2022 XXL conducted a private placement of 135 135 135 new shares at a subscription price of NOK 3.70 per share, raising gross proceeds of NOK 500 million. Completion of the private placement was subject to approval by an extraordinary general meeting, which was obtained on 17 January 2023. The net proceeds from the private placement have in full been used to repay debt. Settlement of the private placement was divided into two tranches in Q1 2023. The first tranche and second tranche were settled and registered with the Norwegian Register of Business Enterprises on 19 January 2023 and 13 March 2023 respectively. In March 2023 it was carried out a subsequent offering of new shares for up to NOK 100 million to those shareholders that were not allocated shares in the private placement. The subscription price was equal to the subscription price in the private placement. In total 372 913 new shares were allocated in the subsequent offering which was registered with the Norwegian Register of Business Enterprises on 3 April 2023.

XXL's current registered share capital is NOK 155 177 882.40 divided into 387 944 706 shares, each with a nominal value of NOK 0.40.

Reorganization and new Executive Management team

Mr. Freddy Sobin will take up his role as the new Group CEO of XXL starting 1 May 2023. During Q1 2023 XXL has reorganized its HQ functions, including the Executive Management team, by combining some functions. The new Executive Management team will from 1 May 2023 consist of the following members:

- Freddy Sobin, CEO
- Stein Eriksen, CFO
- Tolle Grøterud, Chief of Staff
- Jarle Bråten, Interim EVP Category & Buying
- Sebastian Blom, EVP Digital Sales
- Espen Terland, EVP IT
- CMO, vacant
- COO, vacant

- Cristina Moreno, Managing Director Norway
- Anders Lindblom, Managing Director Sweden
- Pasi Lämpsä, Managing Director Finland

Jarle Bråten is currently leading LC Media Group, coordinating buying and negotiations related to marketing and media spending for several large retail chains in the Nordics. He has also been in XXL for a short time period, advising and leading changes in the Marketing department and latest the Category and Buying department. Jarle Bråten was the co-founder of XXL and he held the position as Sales, Marketing and Buying Director in XXL from year 2000 to

2010. He held the position as Buying and Marketing Director in XXL from 2016 to 2018 as well. Prior to XXL he was the Nordic Buying Director in the electronic retail chain Elkjøp.

XXL has started the recruitment process for the positions as CMO and COO. When the COO is in place, the Managing Directors of the three countries will report to the COO and not be part of the Executive Management team.

Outlook

XXL's target and goal going forward is to over time gain market shares 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 and when excluding IFRS 16 effects.

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 2023 is expected to be around NOK 150-200 million.

Going forward XXL expects the pace of the store roll-out to be 2-3 new stores per year. XXL has signed 2 new lease agreements for store openings in 2023, whereof 1 in Norway and 1 in Sweden. At the same time XXL will be downsizing several existing stores. The Group will continue to focus on optimizing the store portfolio.

XXL will exit Austria in 2023 and is working on several different solutions, including sale of the Austrian entity. It is already decided to close 3 of the 8 stores as well as the central warehouse facility. XXL has an ambition of having no negative cash effect in 2023 from the Austrian operations and exit.

Condensed Consolidated Interim Statements of Income & Comprehensive Income

Unaudited for the period ended March 31, 2023

<i>(Amounts in NOK million)</i>	Q1 2023	Q1 2022	FY 2022 (Audited)
Total Operating Revenue	1 984	1 865	8 426
Cost of goods sold	1 362	1 153	5 705
Personnel expenses	436	438	1 665
Other operating expenses	232	192	819
Depreciation	194	194	703
Impairment losses	-	1	1
Total Operating Expenses	2 223	1 978	8 893
Operating Income	-239	-113	-467
Net Financial Income (+) / Expense (-)	-45	-44	-64
Profit before income tax	-284	-157	-531
Income tax expense	-58	-20	-120
Profit from Continuing Operations	-225	-137	-411
Profit from Discontinued Operations	-42	-14	-130
Profit for the Period	-267	-151	-542
Basic and diluted Earnings per share from continuing operations (NOK)	-0,75	-0,54	-1,63
Basic and diluted Earnings per share from discontinued operations (NOK)	-0,14	-0,06	-0,52
Basic and diluted Earnings per share (NOK)	-0,89	-0,60	-2,15
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Foreign currency rate changes	-35	-4	-7
Total Other Income and Expense	-35	-4	-7
Total comprehensive income for the period	-302	-155	-549
Total comprehensive income attributable to:			
Equity holders of the company	-294	-150	-534
Non-controlling interest	-8	-5	-15

Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	Note	31.03.2023	31.03.2022	31.12 2022 (Audited)
NON CURRENT ASSETS				
Intangible Assets				
Goodwill		2 744	2 744	2 744
Other Intangible Assets		268	260	265
Deferred tax asset		217	91	166
Total Intangible Assets		3 229	3 096	3 175
Fixed Assets				
Fixed Assets		609	791	613
Right of Use Assets	9	2 129	1 979	1 842
Total Non Current Assets		5 967	5 866	5 630
CURRENT ASSETS				
Inventory		2 173	2 435	2 328
Trade and Other Receivables		223	270	260
Cash and Cash Equivalents		255	277	552
Total Current Assets		2 651	2 981	3 140
Total assets of disposal group held for sale	10	232	-	263
TOTAL ASSETS		8 850	8 847	9 034

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

Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	Note	31.03.2023	31.03.2022	31.12.2022
SHAREHOLDERS' EQUITY				
Paid-in Capital		3 532	3 188	3 052
Other equity	9	-278	411	14
Total Shareholders' Equity		3 255	3 599	3 066
LIABILITIES				
Deferred Tax Liability		0	-0	0
Total Provisions		0	-0	0
Other non-current liabilities				
Interest Bearing Non-Current Liabilities		481	487	494
Lease Liabilities	9	1 787	1 815	1 568
Total other non-current liabilities		2 268	2 303	2 062
Total non-current liabilities		2 268	2 303	2 062
Current liabilities				
Accounts Payable		1 037	784	1 214
Lease Liabilities	9	604	545	533
Current Interest Bearing Liabilities		695	770	1 135
Tax payable		9	66	9
Public duties payable		289	222	360
Other current liabilities		535	559	494
Total current liabilities		3 171	2 946	3 745
TOTAL LIABILITIES		5 439	5 248	5 808
Total liabilities of disposal group held for sale	10	156	-	160
TOTAL EQUITY AND LIABILITIES		8 850	8 847	9 034

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

Condensed Consolidated Interim Statement of Cash Flows

	Q1 2023	Q1 2022	FY 2022 (Audited)
Operating Activities			
Income before tax from continued operations	(286)	(157)	(531)
Income tax paid	-	(18)	(38)
Depreciation and amortization	194	196	703
Impairment losses	-	(0)	1
Net financial expense	45	45	64
Changes in inventory	75	(199)	(374)
Changes in accounts receivable	45	339	337
Changes in accounts payable and supplier financing	(180)	153	572
Other changes	28	(417)	(96)
Cash provided (used) by operating activities from discontinuing operations	21	12	44
Cash provided (used) by operating activities	(57)	(47)	682
Investing Activities			
Investment in fixed assets	(31)	(36)	(132)
Cash provided (used) by investing activities from discontinuing operations	-	(7)	(7)
Cash provided (used) by investing activities	(31)	(42)	(139)
Financing Activities			
Capital Increase (gross proceeds)	500	-	-
Transaction costs	(11)	-	-
Sales/purchase of own shares/other equity transactions	-	(2)	(8)
Dividends	-	-	(145)
Payments on long/short term debt	(500)	-	(150)
Proceeds from long/short term debt	-	388	883
Interest payments	(30)	(9)	(61)
Interest on lease liabilities	(22)	(19)	(78)
Total leasing payments for the lease liability	(156)	(144)	(560)
Cash provided (used) by financing activities from discontinuing operations	(14)	(11)	(45)
Cash provided (used) by financing activities	(232)	203	(164)
Net Change in Cash and Cash Equivalents	(321)	114	379
Cash and cash equivalents - beginning of period	575	173	173
Effect of foreign currency rate changes on cash and equivalents	-	(10)	-
Cash and Cash Equivalents (AHS) - End of period	33	-	23
Cash and Cash Equivalents - End of period	288	277	575

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

Condensed Consolidated Interim Statement of Changes in Equity

<i>(Amounts in NOK million)</i>	Share capital	Share premium	Other Paid in Equity	Retained earnings	Foreign Currency Rate Changes	Non-Controlling Interest	Total Shareholders' Equity
Shareholders' Equity 31.12.2021	101	3 049	36	583	-47	30	3 753
Net income 2022	-	-	-	-522	-	-20	-542
Foreign currency rate changes	-	-	-	-	-	-	0
Transactions with owners:							
Employee share incentive program	-	-	4	-	-	-	4
Dividends	-	-145	-	-	-	-	-145
Purchase of own shares	-	-3	-	-	-	-	-3
Shareholders' Equity 31.12.2022	101	2 900	40	61	-47	10	3 066
Net income Q1 2023	-	-	-	-257	-	-10	-267
Foreign currency rate changes	-	-	-	-	-35	-	-35
Transactions with owners:							
Employee share incentive program	-	-	2	-	-	-	2
Share issue	54	435	-	-	-	-	489
Purchase of own shares	-	-	-	-	-	-	0
Shareholders' Equity 31.03.2023	155	3 336	42	-197	-82	1	3 255

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

Notes to the interim financial statements¹⁾

Note 1 General information

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

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

These condensed interim financial statements have not been audited.

Note 2 Basis of preparation

These condensed interim financial statements for the three months ended 31 March 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Note 3 Accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2022.

Note 4 Estimates, judgments, and assumptions

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

In preparing these condensed interim financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2022.

Note 5 Earnings per share

	Q1 2023	Q1 2022	FY 2022 (Audited)
Profit for the period from continuing operations (NOK million)	-225	-137	-411
Profit for the period (adj) from continuing operations (NOK million)	-225	-134	-108
Profit for the period from discontinued operations (NOK million)	-42	-14	-130
Weighted average number of ordinary shares in issue	301 548 869	252 436 658	252 436 658
Number of shares outstanding	387 571 793	252 436 658	252 436 658
Adjustment for:			
Effect share options	2 285 466	911 476	885 466
Weighted number of ordinary shares in issue for diluted earnings per share	303 834 335	253 348 134	253 322 124
Basic and diluted Earnings per share from continuing operations (NOK)	-0,75	-0,54	-1,63
Earnings per share (adj) from continuing operations (NOK)	-0,75	-0,53	-0,43
Basic and diluted Earnings per share from discontinued operations (in NOK)	-0,14	-0,06	-0,52
Basic and diluted Earnings per share (NOK)	-0,89	-0,60	-2,15

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

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Note 6 Operating Segments

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

Q1 2023

<i>Amounts in NOK million</i>	Norway*	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	1 004	599	381	-	1 984
Gross profit	330	167	126	-	622
EBITDA	95	-7	14	-148	-45
Operating Income	26	-65	-22	-178	-239

Q1 2022

<i>Amounts in NOK million</i>	Norway*	Sweden	Finland	HQ & Logistics	Total Cont'Ops
Operating revenue	981	540	344	-	1 865
Gross profit	392	190	130	-	712
EBITDA	166	26	29	-138	83
Operating Income	81	-27	-1	-165	-113

01.01.2022 - 31.12.2022

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

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

Note 7 Related Party Transactions

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

There are no major related party transactions for XXL Group in Q1 2023. Further, none of the Board members have been granted loans or guarantees in the current year or are included in the Group's pension or bonus plans.

All related party transactions are concluded on an arm-length basis.

Note 8 Risk Management

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

Note 9 Right-of-use assets and lease liabilities

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

Right of use assets

<i>(Amounts in NOK million)</i>	Buildings, machinery and vehicles
Aquisition cost 01.01.2023	4 115
Additions and adjustments	382
Change incentives	-4
Net exchange differences	136
Aquisition costs 31.03.2023	4 628
Accumulated depreciation and impairment losses 01.01.2022	-2 174
Depreciation	-163
Impairment losses (-) Reversal of losses (+)	0
Disposals	-
Transfers and reclassifications	-
Currency exchange differences	-68
Accumulated depreciation and impairment 31.03.2023	-2 405
Total Right-of-Use Assets at 31.03.2023 including assets held for sale	2 223
Right of Use Assets	2 130
Right of Use Assets Held for Sale	93

Lease liabilities

(Amounts in NOK million)

Summary of the lease liabilities in the financial statements	
Total lease liabilities 01.01.2023	2 203
New lease liabilities recognised in the period and adjustments	377
Leasing payments for the principal portion of the lease liability	-169
Interest expense on lease liabilities	23
Reassessment of the discount rate on previous lease liabilities	0
Currency exchange differences	68
Lease liabilities at 31.03.2023	2 392
Lease liabilities Held for Sale 31.03.2023	110
whereof:	
Current lease liabilities < 1 year	604
Non-current lease liabilities > 1 year	1 787

Note 10 Discontinued Operations

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

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

Summary of financial data for discontinued operations

(Amounts in NOK million)	Q1 2023	Q1 2022	FY 2022 (Audited)
Total Operating Revenue	115	119	454
Cost of goods sold	90	77	366
Personnel expenses	26	27	98
Other operating expenses	24	23	112
Depreciation	25	6	48
Impairment Losses (+) Reversal of losses (-)*	-	0	-14
Total Operating Expenses	166	133	610
Operating Income	-51	-14	-156
Net Financial Income (+) / Expense (-)	8	-3	-6
Profit before income tax	-43	-18	-162
Income tax expense	-2	3	-31
Profit from Discontinued Operations	-42	-21	-130
Net cash flow from operating activities	21	12	44
Net cash flow from investing activities	-	-7	-7
Net cash flow from financing activities	-14	-11	-45
Net change in cash and cash equivalents	7	-5	-8

*Impairment losses includes reversal of Right-of-Use assets due to fair value assesmen

<i>(Amounts in NOK million)</i>	31.03.2023	31.12 2022 (Audited)
NON CURRENT ASSETS		
Intangible Assets		
Other Intangible Assets	2	2
Deferred tax asset	4	3
Total Intangible Assets	6	5
Fixed Assets	21	20
Right of Use Assets	93	99
Total Non Current Assets	120	123
CURRENT ASSETS		
Inventory	65	96
Trade and Other Receivables	13	21
Cash and Cash Equivalents	33	23
Total Current Assets	111	140
TOTAL ASSETS	232	263

<i>(Amounts in NOK million)</i>	31.03.2023	31.12 2022 (Audited)
LIABILITIES		
Other non-current liabilities		
Lease Liabilities	73	69
Total other non-current liabilities	73	69
Total non-current liabilities	73	69
Current liabilities		
Accounts Payable	6	12
Lease Liabilities	36	33
Tax payable	-0	-0
Public duties payable	0	9
Other current liabilities	40	37
Total current liabilities	82	91
TOTAL LIABILITIES	156	160

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

Disclaimer

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

Definitions

Alternative Performance Measures (APM)

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

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

EBIT

Our EBIT represents operating income.

Net Income adj

Our Net Income Adjusted (adj) represents Net Income adjusted for additional write-down of inventory in the period.

Reconciliation

	Q1'23	Q1'22	FY22
Net Income	-225	-137	-411
+ Additional write-down of inventory	-	-	301
Impairment losses	-	1	1
= Net Income adj	-225	-136	-109

EBIT adj

EBIT adjusted (adj) represents EBIT adjusted for additional write-down of inventory in the period.

Reconciliation

	Q1'23	Q1'22	FY22
EBIT	-239	-113	-467
+ Additional write-down of inventory	-	-	301
Impairment losses	-	1	1
= EBIT adj	-239	-111	-165

Earnings per Share adj

Our Earnings per share adjusted (adj) represents Net Income Adj divided per weighted average number of shares in issue. See reconciliation in note 5 – Earnings per share.

Like for Like

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

EBITDA adj

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a key financial parameter for XXL. Our EBITDA Adjusted (adj) represents operating income plus depreciation adjusted for additional write-down of inventory in the period.

Reconciliation

	Q1'23	Q1'22	FY22
Operating Income	-239	-113	-467
+ Depreciation	194	194	703
+ Additional write-down of inventory	-	-	301
+ Impairment Losses	-	1	1
= EBITDA adj	-45	83	538

Gross profit / Gross margin

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

Reconciliation

	Q1'23	Q1'22	FY22
Operating revenue	1 984	1 865	8 426
÷ Cost of goods sold	1 362	1 153	5 705
= Gross profit	622	712	2 721
Gross margin	31.4%	38.2%	32.3%

Gross profit (adj)

Gross profit (adj) represents gross profit as per above adjusted for additional write-down of inventory

	Q1'23	Q1'22	FY22
Gross profit	622	712	2 721
+ Additional write-down of inventory	-	-	301
= Gross profit (adj)	622	712	3 022
Gross margin (adj)	31.4%	38.2%	35.9%

Working capital

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

OPEX

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

Reconciliation

	Q1'23	Q1'22	FY22
Other operating expenses	232	192	819
+ Personnel expenses	436	438	1 655
= OPEX	668	629	2 484

Net interest-bearing debt (NIBD)

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

Reconciliation

	Q1'23	Q1'22	FY22
Non-Current Interest-Bearing liabilities	481	487	494
+ Current Interest-Bearing liabilities	695	770	1 135
÷ Cash and Cash Equivalents	255	277	552
÷ Cash and Cash Equivalents (AHS)	33	-	23
= Net Interest-Bearing Debt	889	980	1 054

CAPEX

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

Liquidity reserve

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

Reconciliation

	Q1'23	Q1'22	FY22
Cash and Cash Equivalents	255	277	552
Cash and Cash Equivalents (AHS)	33	-	23
+ Undrawn Credit Facilities	150	543	171
= Liquidity reserve	438	820	746

Ecommerce

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

Inventory per store

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

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

IFRS 16 effects affecting EBITDA and EBIT

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

Q1'23	XXL Group	NOR	SWE	FIN	HQ & logistics
EBITDA reported	-45	96	-7	14	-148
IFRS 16 effects OPEX	-156	-62	-50	-31	-13
EBITDA ex IFRS 16 effects	-202	34	-56	-17	-162
EBIT Reported	-239	26	-65	-22	-178
IFRS 16 effects affecting EBIT	-18	-9	-6	-2	-2
EBIT ex IFRS 16 effects	-257	17	-71	-24	-179

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FINANCIAL CALENDAR

Annual General Meeting: 06.06.2023
 Q2 and H1 2023 Results: 14.07.2023
 Q3 Results: 27.10.2023

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