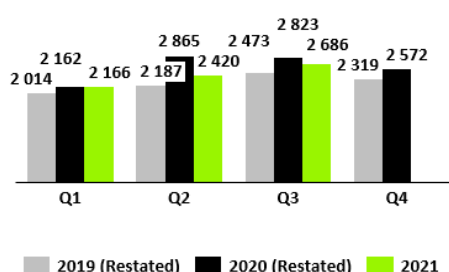


HIGHLIGHTS¹

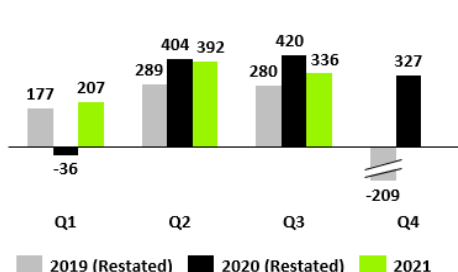
- Operating revenue of NOK 2 686 million (NOK 2 823 million) – negative growth impacted by late delivery of bicycles
- Continued strong E-commerce growth of 18 per cent
- Gross margin of 38.9 per cent (40.8 per cent) – sharpened campaign activities
- EBITDA of NOK 336 million (NOK 420 million)



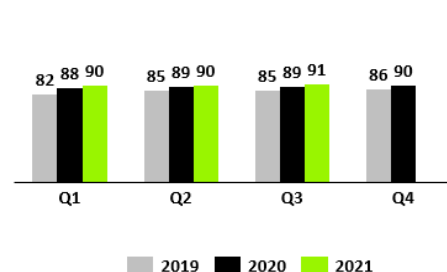
OPERATING REVENUES



EBITDA



NUMBER OF STORES

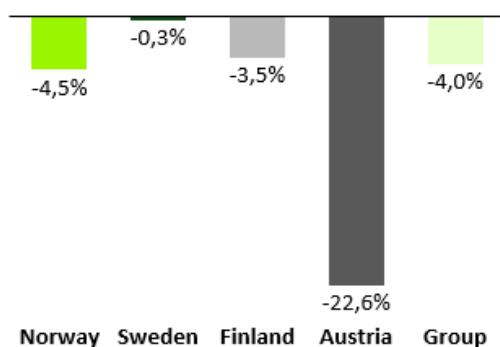


1) Please refer to definitions at the end of the report for descriptions of alternative performance measures that are used in highlights and key figures (all numbers from Q3 2020 are restated)

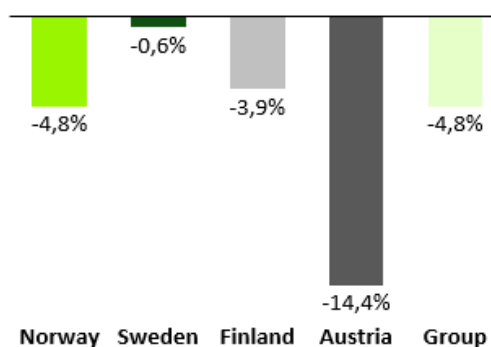
KEY FIGURES GROUP

(Amounts in NOK million)	Q3 2021	Q3 2020 (Restated)	YTD 2021	YTD 2020 (Restated)	FY 2020 Audited
GROUP					
Operating revenue	2 686	2 823	7 273	7 851	10 423
Growth (%)	-4,8 %	14,2 %	-7,4 %	17,6 %	15,9 %
Gross profit	1 045	1 151	2 933	2 863	3 904
Gross margin (%)	38,9 %	40,8 %	40,3 %	36,5 %	37,5 %
OPEX %	26,4 %	25,9 %	27,5 %	26,4 %	26,7 %
EBITDA	336	420	934	789	1 117
EBITDA margin (%)	12,5 %	14,9 %	12,8 %	10,1 %	10,7 %
EBIT	132	221	350	229	364
EBIT margin	4,9 %	7,8 %	4,8 %	2,9 %	3,5 %
Net Income	70	165	191	113	126
**Basic Earnings per share (NOK)	0,28	0,65	0,76	0,55	0,57
**Average number of shares (1 000 shares)	252 437	252 437	252 437	207 027	218 952
Cash provided by operating activities	203	488	722	1 385	1 653
Like for like revenue growth	-4,0 %	10,1 %	-6,7 %	13,7 %	12,5 %
Number of stores at period end	91	89	91	89	90
New stores in the period	1	-	1	3	4

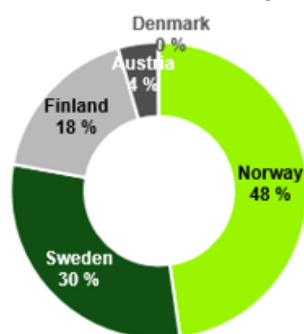
**GROWTH BY COUNTRY
LIKE FOR LIKE
(LOCAL CURRENCY)**



**GROWTH BY COUNTRY Q3
(LOCAL CURRENCY)**



REVENUE SPLIT Q3



**Earnings per share: See Note 5.

KEY FIGURES SEGMENTS

<i>(Amounts in NOK million)</i>	Q3 2021	Q3 2020 (Restated)	YTD 2021	YTD 2020 (Restated)	FY 2020 Audited
SEGMENT					
Norway					
Operating revenue	1 283	1 347	3 514	3 691	4 987
Growth (%)	-4,8 %	21,1 %	-4,8 %	20,4 %	20,2 %
Gross profit	529	561	1 492	1 417	1 983
Gross margin (%)	41,2 %	41,7 %	42,5 %	38,4 %	39,8 %
OPEX %	19,5 %	19,5 %	19,0 %	18,2 %	18,5 %
EBITDA	279	299	825	744	1 062
EBITDA margin (%)	21,7 %	22,2 %	23,5 %	20,2 %	21,3 %
Number of stores at period end	37	37	37	37	37
New stores in the period	-	-	-	1	1
Sweden					
Operating revenue	809	827	2 160	2 271	2 974
Growth (%)	-2,1 %	12,4 %	-4,9 %	19,2 %	16,2 %
Gross profit	301	331	833	789	1 055
Gross margin (%)	37,2 %	40,0 %	38,5 %	34,7 %	35,5 %
OPEX %	22,0 %	21,8 %	24,7 %	24,3 %	24,9 %
EBITDA	123	151	299	238	316
EBITDA margin (%)	15,1 %	18,3 %	13,9 %	10,5 %	10,6 %
Number of stores at period end	29	29	29	29	29
New stores in the period	-	-	1	1	1
Finland					
Operating revenue	475	506	1 299	1 507	1 950
Growth (%)	-6,1 %	2,8 %	-13,8 %	14,6 %	10,4 %
Gross profit	178	210	515	535	708
Gross margin (%)	37,4 %	41,5 %	39,6 %	35,5 %	36,3 %
OPEX %	21,3 %	22,7 %	22,8 %	22,1 %	22,5 %
EBITDA	77	95	218	202	270
EBITDA margin (%)	16,1 %	18,8 %	16,8 %	13,4 %	13,8 %
Number of stores at period end	17	17	17	17	17
New stores in the period	-	-	-	-	-

KEY FIGURES SEGMENTS – cont.

<i>(Amounts in NOK million)</i>	Q3 2021	Q3 2020 (Restated)	YTD 2021	YTD 2020 (Restated)	FY 2020 Audited
SEGMENT					
Denmark					
Operating revenue	3	6	15	21	27
Growth (%)	-50,9 %	-35,4 %	-30,6 %	-46,6 %	-44,1 %
Gross profit	1	2	5	6	8
Gross margin (%)	28,2 %	28,7 %	31,9 %	27,2 %	29,5 %
OPEX %	30,7 %	24,5 %	24,5 %	34,5 %	30,8 %
EBITDA	0	0	1	-1	0
EBITDA margin (%)	-2,6 %	4,3 %	7,4 %	-3,9 %	-1,3 %
Austria					
Operating revenue	117	138	284	361	484
Growth (%)	-15,4 %	11,7 %	-21,1 %	3,3 %	3,0 %
Gross profit	37	47	89	117	150
Gross margin (%)	31,4 %	34,2 %	31,4 %	32,5 %	30,9 %
OPEX %	37,5 %	29,0 %	43,9 %	37,1 %	32,7 %
EBITDA	-7	7	-36	-5	-9
EBITDA margin (%)	-6,1 %	5,2 %	-12,6 %	-1,4 %	-1,8 %
Number of stores at period end	8	6	8	6	7
New stores in the period	1	-	1	1	2
HQ & logistics					
EBITDA	-135	-131	-374	-387	-522
EBITDA margin (% of Group revenues)	-5,0 %	-4,6 %	-5,1 %	-4,9 %	-5,0 %

E-commerce growth continues while delayed delivery of bicycles impacts sales

Oslo, 27 October 2021: Total operating revenue in the quarter ended at NOK 2.7 billion (NOK 2.8 billion) significantly impacted by delayed deliveries of incoming goods, especially bicycles. XXL is not satisfied with the customer traffic and sales development, and has sharpened campaign activities to regain market shares over time. Consequently, gross margin in the quarter ended at 38.9 per cent (40.8 per cent). The migration to online channels continues and XXL's E-commerce platform delivered a growth of 18 per cent in the quarter with all markets posting growth. EBITDA ended at NOK 336 million (NOK 420 million).

The financial position of the Group continues to be solid with liquidity reserves of NOK 1.4 billion (NOK 1.2 billion). Extraordinary dividends of NOK 500 million will be distributed to the shareholders during H2 2021.

Third quarter 2021 review

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

During the third quarter 2021 societies gradually opened after over a year with pandemic restrictions. All stores in XXL were in operations this quarter and all employees are back at work. However, operations continued to be affected by delays in the delivery of incoming goods, especially within the bicycles category. XXL ended the quarter with total operating revenue of NOK 2 686 million which represented a negative growth of 4.8 per cent, or NOK 137 million. The summer season last year saw solid market conditions and positive "staycation" effects and represent a strong comparator. Consequently, all markets had negative growth in the third quarter this year, especially driven by lower sales in July. Late delivery within the bicycles category also had a negative effect of around NOK 100 million, approximately 70 per cent of the total deviation vs. 2020. Consequently, the like for like growth of the Group was negative of 4.0 per cent (NOK 114 million). This was partly compensated by positive contribution from E-commerce, which had a growth of 18.2 per cent in the quarter to NOK 483 million (NOK 408 million), representing 18.0 per cent (14.4 per cent) of total operating revenue for the Group. On 16 September XXL opened a new store in Klagenfurt, Austria, with good sales.

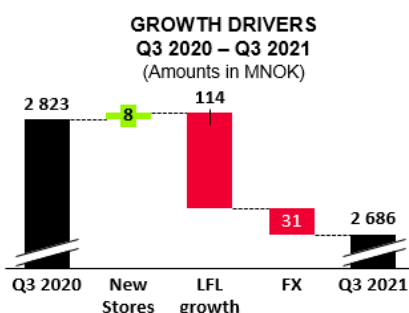
As stated in the second quarter presentation XXL sharpened campaign activities in the third quarter this year to improve the sales trend and gain market shares over time. Consequently, the gross margin for the Group ended at 38.9 per cent compared to 40.8 per cent in the same quarter last year. The lower gross margin was also impacted by increased freight costs and negative mix effects from E-commerce growth. After a period with solid demand in most of the Nordics the markets and competition have normalized. Over time XXL targets to stabilize the gross margin above 39 per cent for the Group.

XXL is in the phase of implementing several strategic initiatives and projects to improve the customer journey and operational efficiency going forward. These include new store layouts, RFID, electronic price labels as well as retail solutions. The key strategic focus is currently on developing an ambitious E-commerce growth plan, continue improving category strategy and plans, as well as strengthen product availability.

OPEX as percentage of sales increased to 26.4 per cent in the third quarter this year (25.9 per cent) impacted by negative like for like growth hampering scale in the operations. OPEX decreased to NOK 708 million (NOK 731 million). XXL has reduced consultancy costs as well as lower bonus accruals, totalling NOK 20 million.

The Group EBITDA in the third quarter 2021 was NOK 336 million (NOK 420 million), driven by negative like for like growth and lower gross margin as described above.

The financial position of XXL continues to be strong with total liquidity reserves of NOK 1 407 million (NOK 1 236 million) and a net interest bearing debt of NOK 393 million (NOK 45 million). In the quarter XXL distributed an extraordinary dividend of NOK 250 million to its shareholders.



Operating segments

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

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

Norway

The Norwegian operations delivered total operating revenue of NOK 1 283 million in the third quarter 2021 compared to NOK 1 347 million in the same quarter last year, representing a negative growth of 4.8 per cent. The key driver was a negative like for like growth of 4.5 per cent versus a strong comparator last year of 16.1 per cent, partly explained by continued delays in deliveries of bicycles. According to market figures from SSB, on a twelve-month rolling basis per August, the sales of sporting goods in Norway increased by 8.3 per cent. The corresponding growth for XXL was 1.2 per cent, somewhat negatively affected by last year clearance campaign, several store closures, and a challenging delivery situation of bicycles.

Gross margin decreased from 41.7 per cent in Q3 2020 to 41.2 per cent in Q3 2021, explained by campaign activities as well as higher freight costs compared to the same quarter last year.

Operating expenses as percentage of sales ended at 19.5 per cent (19.5 per cent) despite the negative like for like growth in the quarter hampering scale in operations.

EBITDA amounted to NOK 279 million (NOK 299 million). The main reason for the EBITDA decline was negative like for like growth and the lower gross margin as described above.

Sweden

Total operating revenue for XXL in Sweden in Q3 2021 amounted to NOK 809 million (NOK 827 million) representing a negative growth of 0.6 per cent in local currency. The driver was a negative like for like growth of 0.3 per cent in local currency. According to market figures from SCB, on a twelve-month rolling basis per August, the sale of sporting goods in Sweden increased by 5.2 per cent. The corresponding growth for XXL was negative of 0.4 per cent in local currency, somewhat negatively affected by last year clearance campaign and a challenging delivery situation of bicycles.

Gross margin decreased to 37.2 per cent (40.0 per cent) explained by sharpened campaign activities and higher freight costs.

Operating expenses as percentage of sales ended at 22.0 per cent (21.8 per cent) impacted by the negative like for like growth. EBITDA declined to NOK 123 million (NOK 151 million), mainly driven by the lower gross margins.

Finland

According to market figures from TMA, on a twelve-month rolling basis per September, the sale of sporting goods in Finland increased by 9.2 per cent. This is to be compared to XXL with a decline of 9.6 per cent in local currency, hence losing market shares, but affected by last year clearance campaign and a challenging delivery situation of bicycles. Total operating revenue in the quarter amounted to NOK 475 million (NOK 506 million), representing a negative growth of 3.9 per cent and a negative like for like growth of 3.5 per cent, both in local currency. This is partly explained by late deliveries of bicycles this quarter.

As communicated in the Q2 2021 report XXL is not satisfied with the sales development in the Finnish market and has sharpened marketing and campaign activities. The gross margin decreased from 41.5 per cent in Q3 2020 to 37.4 per cent in Q3 2021, also to some extent due to increased freight costs.

EBITDA amounted to NOK 77 million in Q3 2021 (NOK 95 million) driven by the negative like for like growth and lower gross margins. Operating expenses as percentage of sales declined to 21.3 per cent in Q3 2021 (22.7 per cent) despite negative like for like growth and is driven by operational efficiency.

Denmark

Total operating revenue in the third quarter 2021 amounted to NOK 3 million (NOK 6 million), representing a negative growth of 48.0 per cent in local currency. The Danish operations ended with an EBITDA of NOK 0 million in Q3 2021 (NOK 0 million). XXL will continue to run Denmark with limited resources and use it as a tactical sales channel going forward.

Austria

The market dynamics in Austria continues to be more challenging than in the Nordic countries with significant decline in retail trade and demand.

Total operating revenue from the Austrian operations amounted to NOK 117 million in the third quarter (NOK 138 million) partly driven by lack of bicycles. Like for like was negative of 22.6 per cent in local currency. On 16 September 2021 XXL opened a new store in Klagenfurt, Austria.

The gross margin decreased to 31.4 per cent (34.2 per cent) due to sharpened campaign activities also related to more clearance of seasonal products and a new store opening campaign with lower gross margins.

Operating expenses as percentage of sales increased from 29.0 per cent in Q3 2020 to 37.5 per cent in Q3 2021 due to negative like for like growth impacting scale in the operations. In addition, XXL opened a new store late in the quarter with sales only for half a month but carried operational costs for the full quarter.

EBITDA was negative of NOK 7 million (NOK 7 million) due to the reasons mentioned above.

XXL is committed to significantly improve the profitability in Austria in 2022. The organization is working on several category assortment initiatives as well as increasing marketing efficiency and reducing logistic costs.

HQ and Logistics

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

Operating expenses were NOK 135 million (NOK 131 million) in Q3 2021, partly related to higher costs at the central warehouses driven by higher E-commerce volumes. Increased personnel costs at the HQ were counteracted by lower bonus accruals and reduced consultancy costs of NOK 10 million.

Financials

Consolidated income statement – Third quarter

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

Total operating revenue decreased by 4.8 per cent to NOK 2 686 million (NOK 2 823 million).

Total operating expenses equaled NOK 2 555 million (2 602 million) in the third quarter. Other operating expenses decreased from NOK 225 million in Q3 2020 to NOK 201 million in Q3 2021, while depreciation increased to NOK 205 million compared to NOK 199 million in Q3 2020.

Operating income amounted to NOK 132 million (NOK 221 million).

Net financial expense amounted to NOK 27 million for the third quarter (NOK 26 million) whereof NOK 20 million is related to IFRS 16 effects compared to NOK 22 million in Q3 2020. Net interest expenses ended at NOK 7 million (NOK 11 million). Net financial expenses included a positive currency effect of NOK 6 million compared to a positive currency effect of NOK 12 million last year. Other financial expenses of NOK 6 million were related to amortization of loan costs and other financial costs.

Income tax expense for the third quarter was NOK 34 million (NOK 30 million).

Profit for the period ended at NOK 70 million (NOK 165 million).

Consolidated cash flow

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

Cash provided by operating activities was NOK 722 million (NOK 1 385 million) for the nine months ended 30 September 2021. The reason for the decrease is mainly the increased inventory level, which continues to be healthy.

Cash used by investing activities was NOK 184 million (NOK 88 million) for the nine months ended 30 September 2021. This is mainly related to several investments in all stores in 2021 as part of the general improvement program of XXL.

Cash used by financing activities amounted to NOK 1 075 million (NOK 1 298 million) for the nine months ended 30 September 2021. The change is mainly related to lower levels of debt repayments, offset by a dividend payment of NOK 244 million.

Financial position and liquidity

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

As of 30 September 2021, total assets amounted to NOK 8 916 million (NOK 9 349 million). The decrease is mainly due to depreciation on right of use asset. Total equity was NOK 4 043 million (NOK 4 304 million), resulting in an equity ratio of 45.3 per cent (46.0 per cent). Net interest bearing debt (NIBD) ended at NOK 393 million (NOK 45 million).

The Group had cash and cash equivalents of NOK 291 million (NOK 436 million) as of 30 September 2021 of which NOK 5 million was restricted cash. The Group's liquidity reserves include total credit facilities of NOK 1 800 million whereof NOK 684 million was used as of 30 September 2021. Available liquidity reserves as of 30 September 2021 were NOK 1 407 million (NOK 1 236 million).

Employee representatives to the Board of Directors

XXL carried out its inaugural election for employee representatives to the Board of Directors of XXL ASA, including deputies for a period of two years. The following employee representatives have been elected by the employee election - Tor Andrin Jacobsen, Kai Arne Nordhaug and Cristina Moreno.

Extraordinary General Meeting – Dividend distribution

An Extraordinary General Meeting of XXL ASA was held on 16 September 2021. All items were resolved in accordance with the proposals from the Board of Directors and a total dividend of NOK 500 million will be paid out to the shareholders. The dividend is split into two tranches of NOK 0.99 per share of which the first tranche was paid in September and the second tranche will be paid out in December 2021. The two tranches have separate ex-dividend and record dates.

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 targets to stabilize the gross margin above 39 per cent.

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 2021 is expected to be around NOK 250-300 million.

Going forward XXL expects the pace of the store roll-out to be 3-5 new stores per year. XXL has signed 2 new lease agreements for store openings in 2021 where of 1 in Sweden and 1 in Austria (opened on 16 September 2021). XXL has signed 3 new lease agreements for store openings in 2022, whereof 1 in Norway and 2 in Sweden. In addition the outlet store in Töcksfors, Sweden, will close down during 2022. XXL will continue to downsize several of the existing stores.

Condensed Consolidated Interim Statements of Income & Comprehensive Income

Unaudited for the period ended September 30, 2021

<i>(Amounts in NOK million)</i>	Q3 2021	Q3 2020 (Restated)	YTD 2021	YTD 2020 (Restated)	FY 2020 (Audited)
Total Operating Revenue	2 686	2 823	7 273	7 851	10 423
Cost of goods sold	1 642	1 672	4 340	4 987	6 519
Personnel expenses	508	506	1 378	1 393	1 863
Depreciation	205	199	585	560	753
Other operating expenses	201	225	621	681	924
Total Operating Expenses	2 555	2 602	6 923	7 621	10 059
Operating Income	132	221	350	229	364
Net Financial Income (+) / Expense (-)	-27	-26	-109	-96	-172
Profit before income tax	104	195	241	133	191
Income tax expense	34	30	50	20	66
Profit for the period	70	165	191	113	126
Basic Earnings per share (NOK)	0,28	0,65	0,76	0,55	0,57
Diluted Earnings per share (NOK)	0,28	0,65	0,76	0,55	0,57
Other comprehensive income					
<u>Items that may be subsequently reclassified to profit or loss</u>					
Foreign currency rate changes	16	24	6	54	22
Total Other Income and Expense	16	24	6	54	22
Total comprehensive income for the period	86	189	197	167	148
Total comprehensive income attributable to:					
Equity holders of the company	84	-	191	-	142
Non-controlling interest	2	-	6	-	6

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

Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	Note	30.09.2021	30.09.2020 (Restated)	31.12.2020 Audited
NON CURRENT ASSETS				
Intangible Assets				
Goodwill		2 744	2 744	2 744
Other Intangible Assets		256	275	257
Deferred tax asset		15	35	18
Total Intangible Assets		3 015	3 054	3 019
Fixed Assets		823	848	839
Right of Use Assets	9	2 380	2 699	2 569
Total Non Current Assets		6 217	6 601	6 426
CURRENT ASSETS				
Inventory		2 122	1 939	1 835
Trade and Other Receivables		285	372	284
Cash and Cash Equivalents		291	436	830
Total Current Assets		2 698	2 748	2 949
TOTAL ASSETS		8 916	9 349	9 375

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

Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	Note	30.09.2021	30.09.2020 (Restated)	31.12.2020 Audited
SHAREHOLDERS' EQUITY				
Paid-in Capital		3 415	3 843	3 742
Other equity	9	627	461	441
Total Shareholders' Equity		4 043	4 304	4 185
LIABILITIES				
Deferred Tax Liability		45	10	3
Total Provisions		45	10	3
Other non-current liabilities				
Interest Bearing Non-Current Liabilities		484	481	483
Lease Liabilities	9	2 011	2 291	2 180
Total other non-current liabilities		2 495	2 772	2 663
Total non-current liabilities		2 540	2 782	2 666
Current liabilities				
Accounts Payable		727	762	532
Lease Liabilities	9	582	605	593
Current Interest Bearing Liabilities		200	-	418
Tax payable		16	0	16
Public duties payable		308	407	391
Other current liabilities		501	488	574
Total current liabilities		2 333	2 263	2 524
TOTAL LIABILITIES		4 873	5 044	5 191
TOTAL EQUITY AND LIABILITIES		8 916	9 349	9 375

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

Condensed Consolidated Interim Statement of Cash Flows

<i>Amounts in NOK million</i>	Q3 2021	Q3 2020 (Restated)	YTD 2021	YTD 2020 (Restated)	FY 2020
Operating Activities					
Income before tax	104	195	241	133	191
Income tax paid	-	(1)	-	-	-
Depreciation and amortization	205	199	585	559	753
Net financial expense	27	27	109	97	172
Changes in inventory	(68)	109	(285)	821	789
Changes in accounts receivable	(11)	37	(3)	12	(19)
Changes in accounts payable and supplier financing	(23)	(44)	242	(252)	(462)
Other changes	(31)	(32)	(167)	17	229
Cash provided (used) by operating activities	203	488	722	1 385	1 653
Investing Activities					
Investment in fixed assets	(59)	(27)	(184)	(110)	(181)
Payments/proceeds from acquisitions/disposals	-	-	-	22	22
Cash provided (used) by investing activities	(59)	(27)	(184)	(88)	(159)
Financing Activities					
Sales/purchase of own shares/other equity transactions	-	18	(77)	498	400
Dividends	(244)	-	(244)	-	-
Payments/proceeds on long/short term debt	48	(466)	(222)	(1 301)	(820)
Interest payments	(19)	(19)	(81)	(58)	(80)
Total leasing payments for the lease liability	(191)	(142)	(451)	(437)	(594)
Cash provided (used) by financing activities	(407)	(609)	(1 075)	(1 298)	(1 094)
Net Change in Cash and Cash Equivalents	(262)	(147)	(536)	-	400
Cash and cash equivalents - beginning of period	556	613	830	433	433
Effect of foreign currency rate changes on cash and equivalents	(3)	(30)	(3)	3	(3)
Cash and Cash Equivalents - End of period	291	436	291	436	830

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 31.12.19 (Restated)	67	3 264	29	284	-9	-	3 635
Net income YTD Q3 2020	-	-	-	113	-	0	113
Foreign currency rate changes	-	-	-	-	52	-	52
Transactions with owners:							
Employee share incentive program	-	-	2	-	-	-	2
Share issue	35	446	-	-	-	-	481
Transaction with non-controlling interest	0	0	-	-	-	20-	20
Shareholders' Equity 30.09.2020 (Restated)	102	3 710	31	398	43	20	4 304
Net income Q4 2020	-	-	-	7	-	6	13
Foreign currency rate changes	-	-	-	-	-31	-	-31
Transactions with owners:							
Purchase of own shares	-	-101	-	-	-	-	-101
Shareholders' Equity 31.12.2020	102	3 609	31	404	12	26	4 185
Net income Q3 YTD 2021	-	-	-	185	-	6	191
Foreign currency rate changes	-	-	-	-	6	-	6
Transactions with owners:							
Employee share incentive program	-	-	3	-	-	-	3
Dividends	-	-244	-	-	-	-	-244
Purchase of own shares	-	-87	-	-	-	-	-87
Transaction with non-controlling interest	-	-	-	-9	-	-2	-11
Shareholders' Equity 30.09.2021	102	3 278	34	580	18	30	4 043

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 and Austria.

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 six months ended 30 September 2021 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 2020, 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 2020.

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 2020.

Note 5 Earnings per share

	Q3 2021	Q3 2020 (Restated)	YTD 2021	YTD 2020 (Restated)	FY 2020 (Audited)
Total profit (in NOK million)	70	165	191	113	126
Weighted average number of ordinary shares in issue	252 436 658	252 436 658	252 436 658	207 026 644	218 952 136
Number of shares outstanding	252 436 658	252 436 658	252 436 658	252 436 658	252 436 658
Adjustment for:					
Effect share options	686 270	327 511	627 154	339 159	292 646
Weighted number of ordinary shares in issue for diluted earnings per share	253 122 928	252 764 169	253 063 812	207 365 803	219 244 782
Basic Earnings per share (in NOK)	0,28	0,65	0,76	0,55	0,57
Diluted Earnings per share (in NOK)	0,28	0,65	0,76	0,55	0,57

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

Note 6 Operating Segments

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

Q3 2021

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	Denmark	Austria	HQ & Logistics	Total
Operating revenue	1 283	809	475	3	117	-	2 686
Gross profit	529	301	178	1	37	-	1 045
EBITDA	279	123	77	-0	-7	-135	336
Operating Income	204	66	47	-0	-21	-164	132

Q3 2020 (Restated)

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	Denmark	Austria	HQ & Logistics	Total
Operating revenue	1 347	827	506	6	138	-	2 823
Gross profit	561	331	210	2	47	-	1 151
EBITDA	299	151	96	0	7	-131	422
Operating Income	238	92	59	0	-8	-160	221

01.01.2021 - 30.09.2021

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	Denmark	Austria	HQ & Logistics	Total
Operating revenue	3 514	2 160	1 299	15	284	0	7 273
Gross profit	1 492	833	515	5	89	-0	2 933
EBITDA	825	299	218	1	-36	-374	934
Operating Income	620	138	130	1	-77	-463	350

01.01.2020 - 30.09.2020 (Restated)

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	Denmark	Austria	HQ & Logistics	Total
Operating revenue	3 691	2 271	1 507	21	361	-	7 851
Gross profit	1 417	789	535	6	117	-	2 863
EBITDA	744	238	202	-1	-5	-387	790
Operating Income	562	78	105	-1	-45	-471	229

01.01.2020 - 31.12.2020

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	Denmark	Austria	HQ & Logistics	Total
Operating revenue	4 987	2 974	1 950	27	484	-	10 423
Gross profit	1 983	1 055	708	8	150	-	3 904
EBITDA	1 062	316	270	-	-9	-522	1 117
Operating Income	816	101	142	-	-61	-633	364

Note 7 Related Party Transactions

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

There are no major related party transactions for XXL Group in Q3 2021. 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 arms-length basis.

Note 8 Risk Management

A description of main risk factors in XXL is included in Note 20 in the Annual Report for 2020.

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 01.01.2021	3 656
Additions and adjustments	274
Change incentives	-9
Net exchange differences	-56
Aquisition costs 30.09.2021	3 865
Accumulated depreciation and impairment losses 01.01.2021	-1 087
Depreciation	-416
Impairment losses in the period	-
Disposals	-
Transfers and reclassifications	-
Currency exchange differences	18
Accumulated depreciation and impairment 30.09.2021	-1 485
Total Right of Use Assets at 30.09.2021	2 380

Lease liabilities

(Amounts in NOK million)

Summary of the lease liabilities in the financial statements	
At initial application 01.01.2021	2 773
New lease liabilities recognised in the period and adjustments	274
Leasing payments for the principal portion of the lease liability	-451
Interest expense on lease liabilities	62
Reassessment of the discount rate on previous lease liabilities	0
Currency exchange differences	-65
Total lease liabilities at 30.09.2021	2 594
whereof:	
Current lease liabilities < 1 year	582
Non-current lease liabilities > 1 year	2 011

Disclaimer

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

Definitions

Alternative Performance Measures (APM)

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

EBIT

Our EBIT represents operating income.

EBITDA

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

Reconciliation

	Q3'21	Q3'20 Re-stated	YTD'21	YTD'20 Re-stated	FY20
Operating Income	132	221	350	229	364
+ Depreciation	205	199	585	560	753
= EBITDA	336	420	934	789	1 117

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 y-o-y to eliminate the FX effect.

Gross profit / Gross margin

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

Reconciliation

	Q3'21	Q3'20 Restated	YTD'21	YTD'20 Restated	FY 20
Operating revenue	2 686	2 823	7 273	7 851	10 423
÷ Cost of goods sold	1 642	1 672	4 340	4 984	6 519
= Gross profit	1 045	1 151	2 933	2 863	3 904
Gross margin	38.9%	40.8%	40.3%	36.5%	37,5%

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.

Reconciliation

	Q3'21	Q3'20 Restated	YTD'21	YTD'20 Restated	FY 20
Other operating expenses	201	225	621	681	924
+ Personnel expenses	508	506	1 378	1 393	1 863
= OPEX	708	731	1 999	2 074	2 787

Leverage ratio/covenant

Leverage ratio is defined as NIBD/EBITDA, a measure for the strength of our financial position.

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.

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

Net interest bearing debt (NIBD)

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

Reconciliation

	Q3'21	Q3'20 Restated	FY 20
Non-Current Interest Bearing liabilities	484	481	483
+ Current Interest Bearing liabilities	200	-	418
÷ Cash and Cash Equivalents	291	436	830
= Net Interest Bearing Debt	393	45	71

CAPEX

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

Liquidity reserve

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

Reconciliation

	Q3'21	Q3'20 Restated	FY 20
Cash and Cash Equivalents	291	436	830
+ Undrawn Credit Facilities	1 116	800	281
= Liquidity reserve	1 407	1 236	1 111

Q3'21	XXL Group	NOR	SWE	FIN	AUT	DEN	HQ & logistics
EBITDA reported	336	279	123	77	-7	0	-135
IFRS 16 effects OPEX	-150	-58	-42	-27	-10	-	-14
EBITDA ex IFRS 16 effects	186	221	80	50	-17	0	-148
EBIT Reported	132	204	66	47	-21	0	-164
IFRS 16 effects affecting EBIT	-5	-0	3	-5	-1	-	-3
EBIT ex IFRS 16 effects	127	204	69	42	-22	0	-167

YTD'21	XXL Group	NOR	SWE	FIN	AUT	DEN	HQ & logistics
EBITDA reported	934	825	299	218	-36	1	-374
IFRS 16 effects OPEX	-450	-174	-127	-78	-31	-	-41
EBITDA ex IFRS 16 effects	484	651	172	141	-66	1	-415
EBIT Reported	350	620	138	130	-77	1	-463
IFRS 16 effects affecting EBIT	-34	-15	1	-10	-3	-	-7
EBIT ex IFRS 16 effects	316	605	139	120	-79	1	-470

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.

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FINANCIAL CALENDAR

Q4 and FY 2021 Results:	09.02.2022
Q1 2022 Results:	27.04.2022
Q2 and H1 2022 Results:	15.07.2022

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