

A person in a white and orange ski suit is seen from behind, skiing across a vast, snow-covered field. In the background, there are rolling hills and mountains under a cloudy sky. The overall scene is a winter landscape.

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XXL ASA – Q1 2025

**Strong topline growth of 7 per cent,
driven by “Reset and Rethink” turnaround plan**

Presentation of Financial Results April 29th, 2025

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This presentation was prepared for the interim results presentation for the first quarter 2025, held on April 29th, 2025. Information contained herein will not be updated. The following slides should also be read and considered in connection with the information given orally during the presentation.

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CEO update

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Q1 2025 financial results

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Final remarks

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CEO update

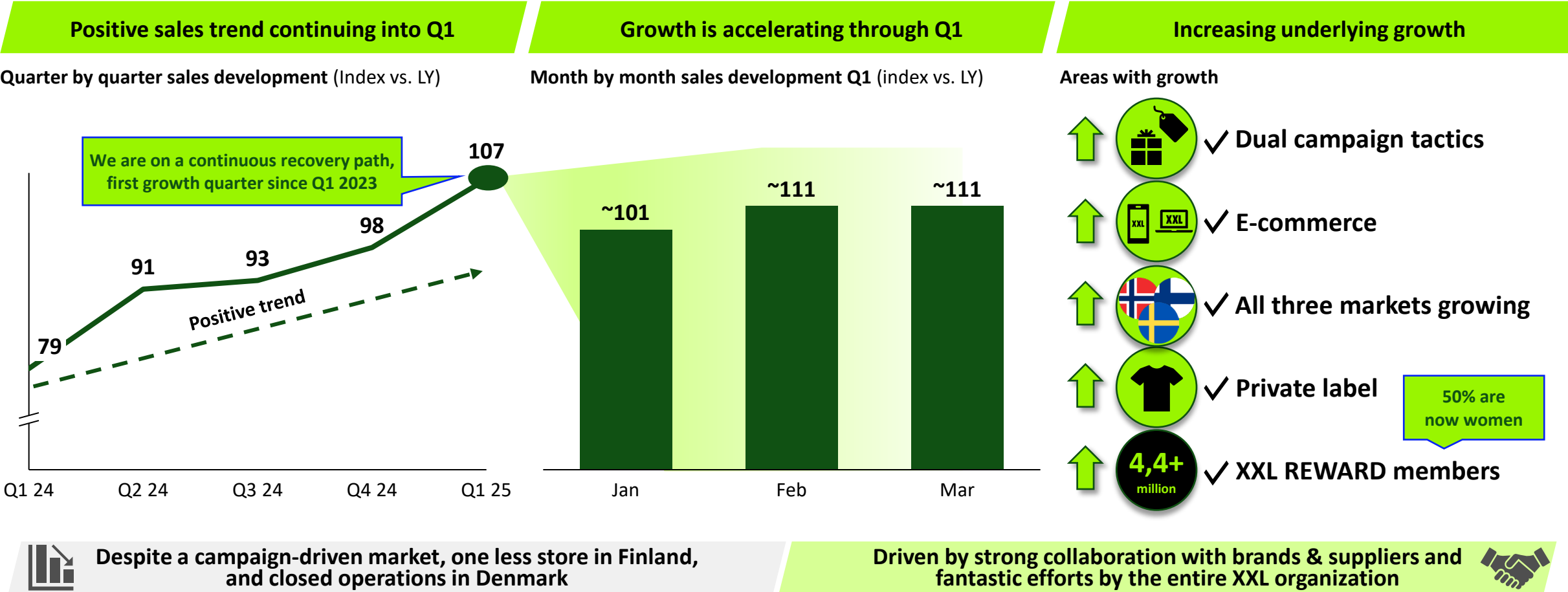
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Q1 2025 financial results

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Final remarks

First growth quarter since Q1 2023 | Return to growth despite challenging market conditions



“Reset” progressing well, while we have also begun to “Rethink”

RESET

Top line quick wins and cost control



RETHINK

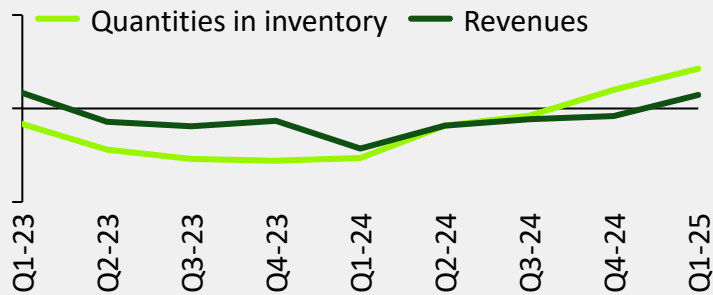
Accelerate key top line levers



RESET indicators | Increasingly positive indicators across all Must Win Battles

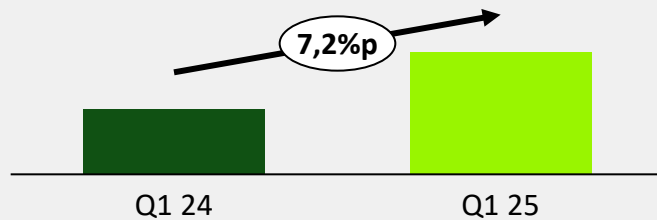
CATEGORY RESET

Development of inventory quantities and revenue



Revenue growing due to increased availability, driven by strengthened inventory composition

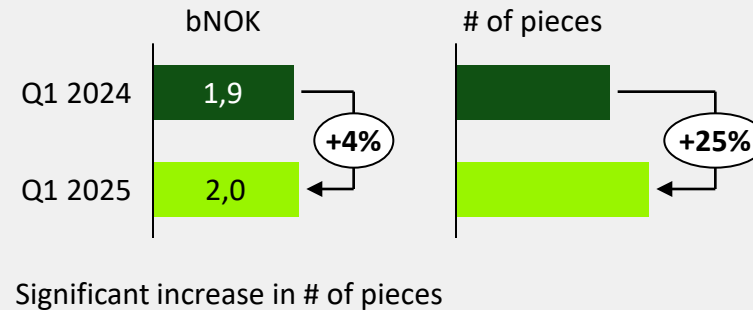
Development private label sales share (%-points)



Supported by increased private label sales share

AVAILABILITY

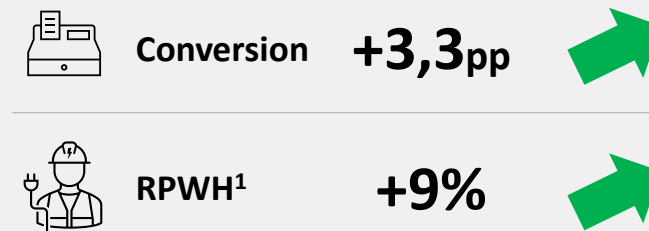
Inventory development



Significant increase in # of pieces

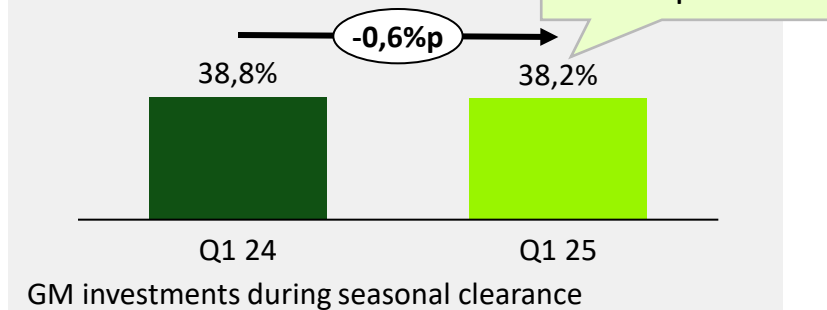
STORE OPERATIONS

Conversion rate Q1 improvement vs. LY (%-points)



PRICING

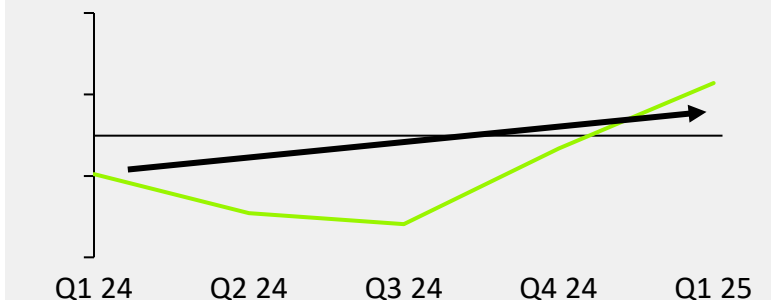
Gross margin development vs. LY (%)



GM investments during seasonal clearance

E-COMMERCE PROFITABILITY

Development online profit margins (%)



RETHINK | We are accelerating and driving positive development across all rethink pillars

1

Restructure physical stores

A range of projects planned for 2025; We will open, close, downsize, refit, and re-concept stores

2

Accelerate e-com

Q1 e-com revenue

+9,7%

VS Q1 24



3

Double down on private label



4

Leverage service offering

Workshops are profitable¹, we are ready to boost them



Note: 1) Internal performance measure (Not audited)

Restructure physical stores | We have many exciting projects planned for 2025, and have already closed, opened, and re-structured several stores to optimize our footprint

Accelerating store portfolio restructuring

Good momentum in H1 2025

Serious commitment to optimize rents



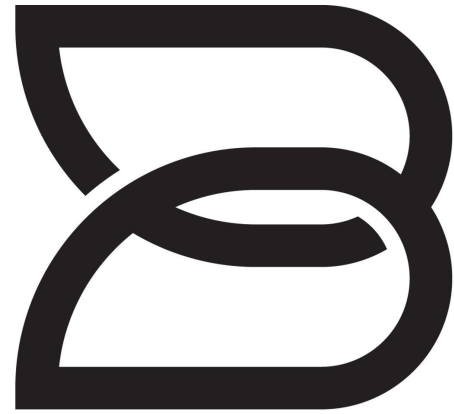
We have successfully opened our first new store since 2023, in Trollhättan Sweden

But will also be closing our store in Lappeenranta Finland

Always open to strong locations and attractive lease contract opportunities, while we keep on optimizing our portfolio as current rent levels in the market are unacceptably high!



Double down on Private Label |
Our latest in-house brand launch,
with a very promising start in Q1



BOUNCE



Reset & rethink strategy increasingly
bearing fruit as we are Back to Growth!

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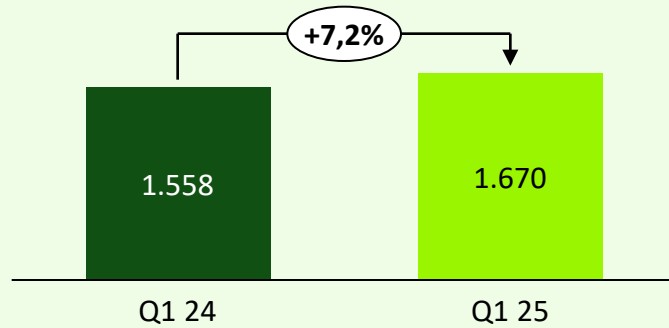
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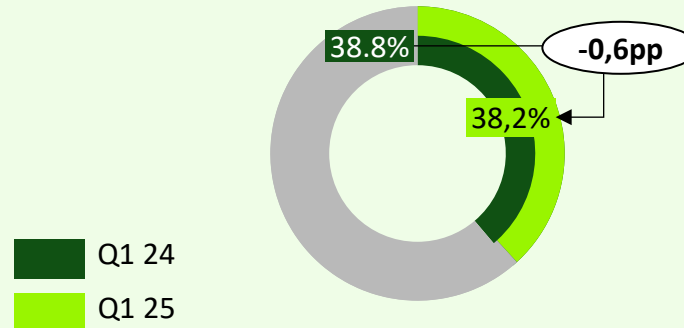
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XXL ASA Q1 financial summary

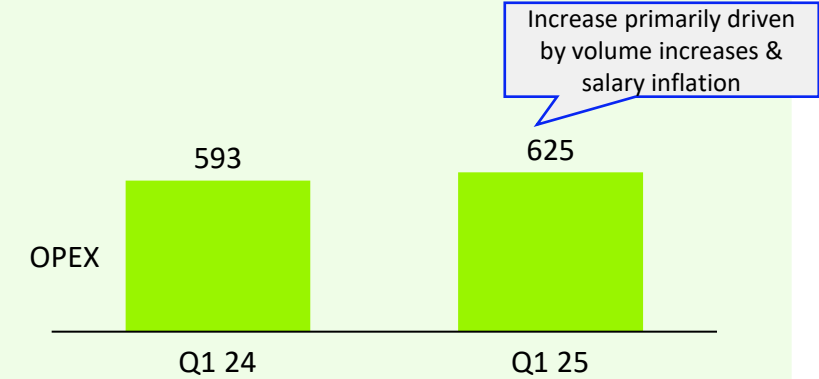
Operating revenue (mNOK)



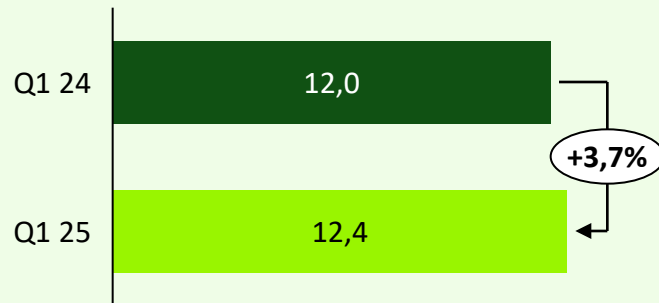
Gross profit (%)



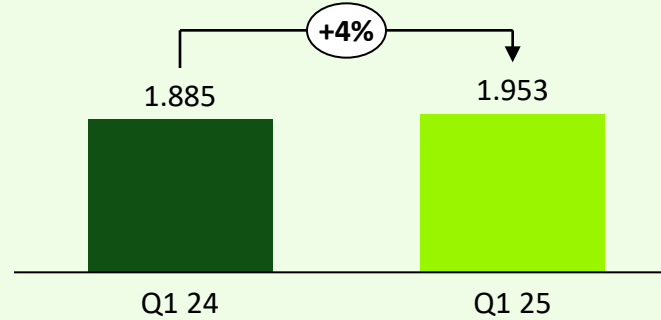
OPEX (mNOK)



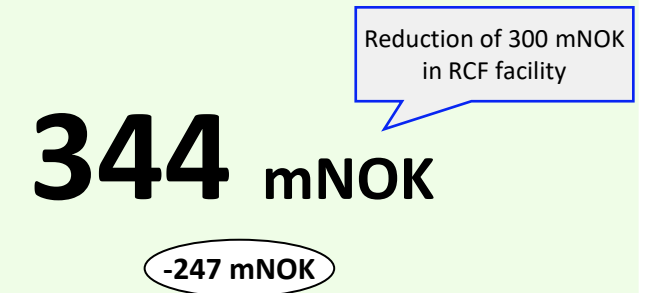
EBITDA (mNOK/%)



Inventory (mNOK)

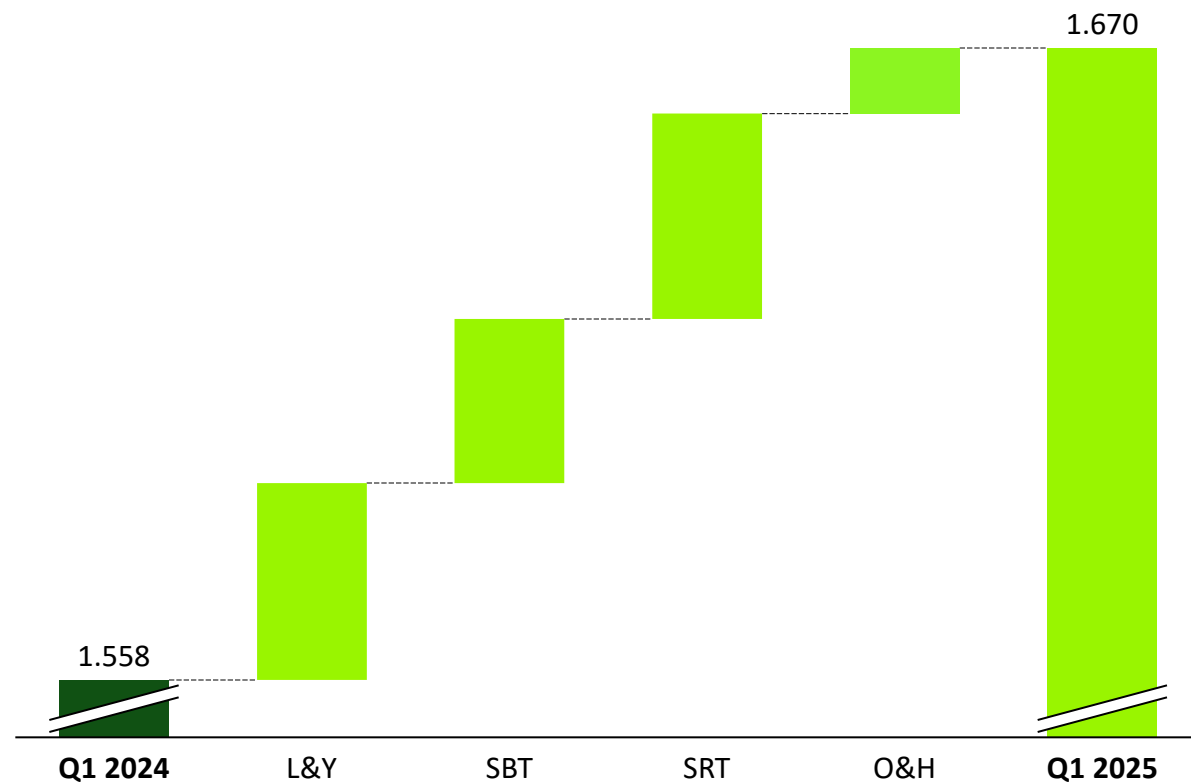


Liquidity (mNOK)

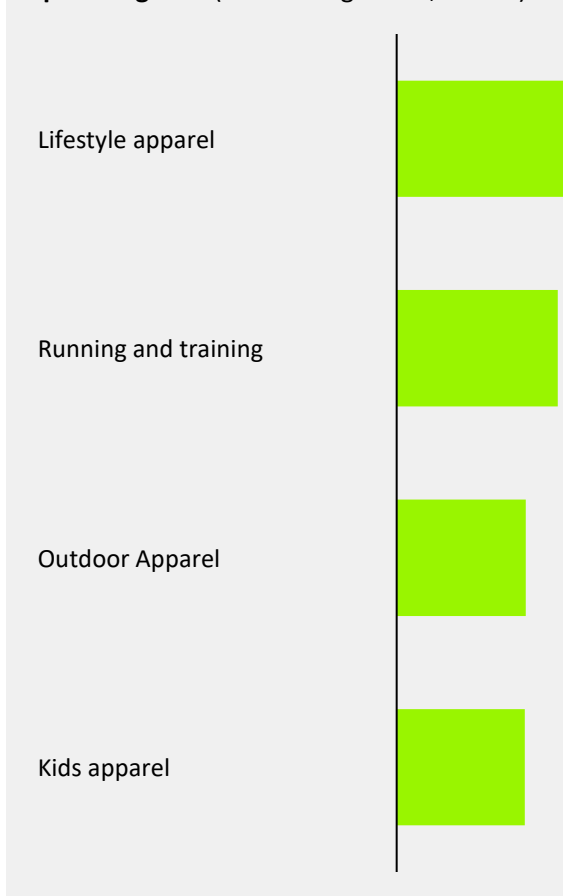


Category development | All sectors show growth despite challenging winter driven by successful inventory de-risking and capital allocation as well as dual campaign execution

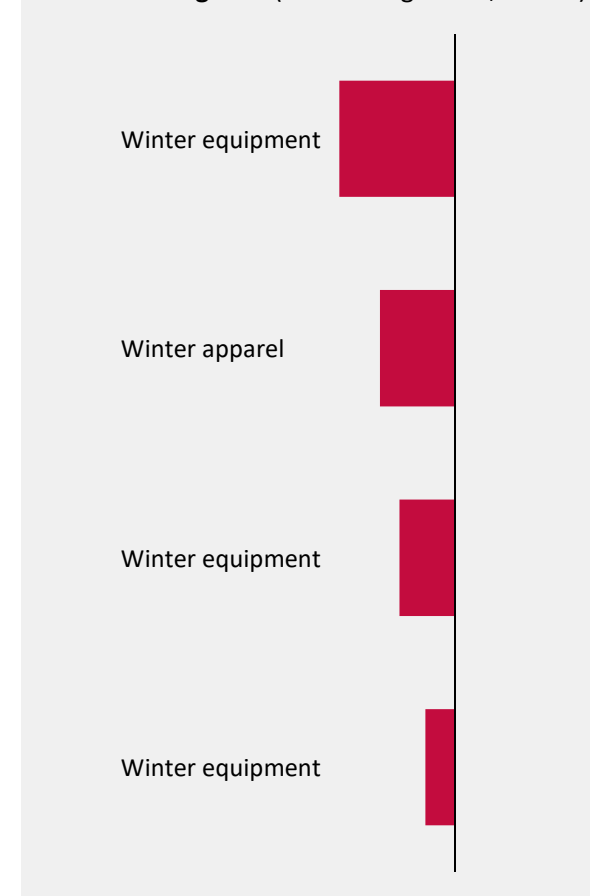
Sector sales bridge Q1 2024 to Q1 2025 (mNOK)*



Top 4 categories (sales change vs LY, mNOK)



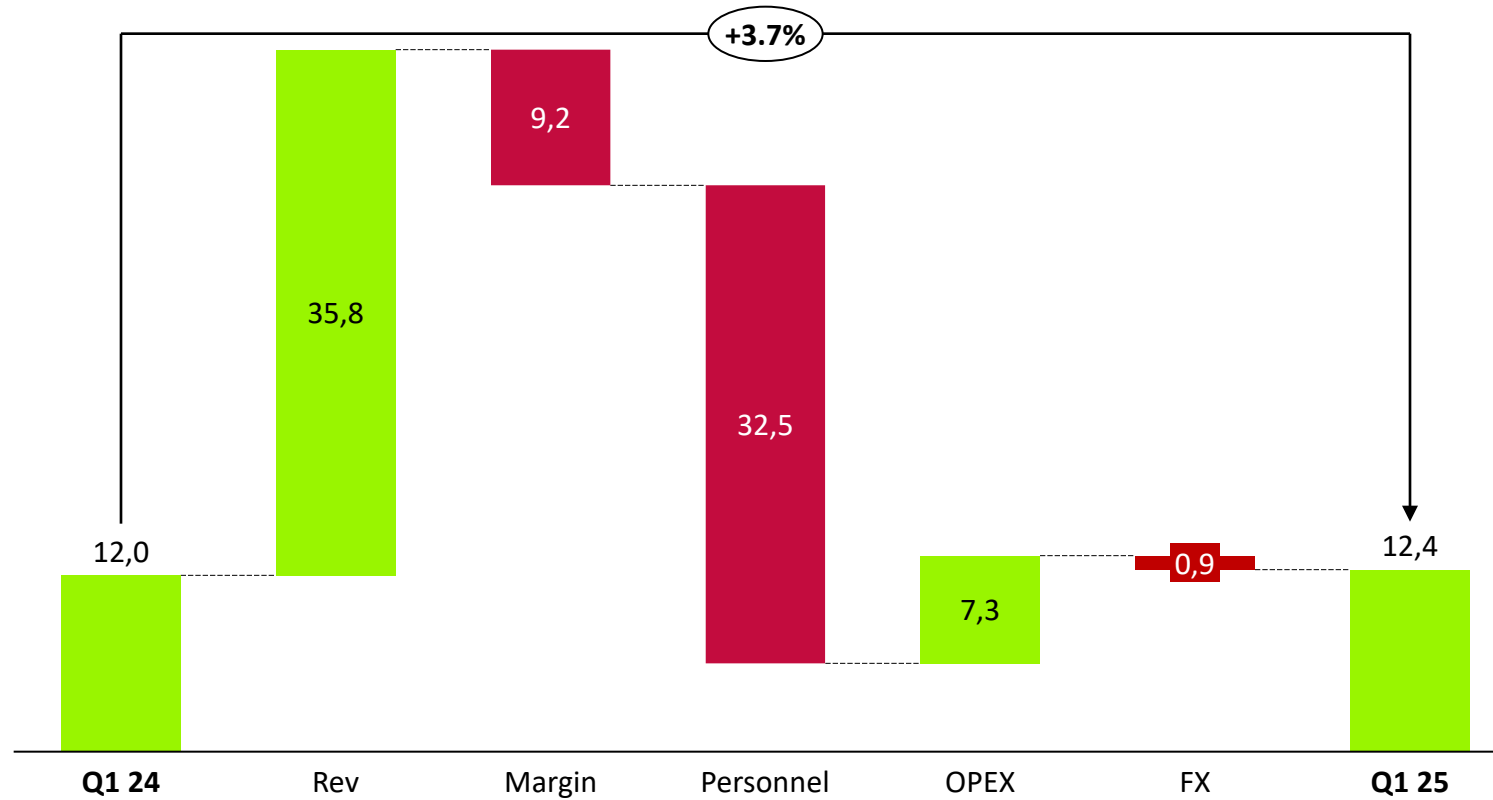
Bottom 4 categories (sales change vs LY, mNOK)



*Note: Category figures from internal reporting system (not accounting consolidation system), meaning some discrepancy vs consolidated & audited figures will occur

EBITDA | Marginally improved, driven by revenue increase

EBITDA bridge Q1 2024 to Q1 2025 (mNOK)



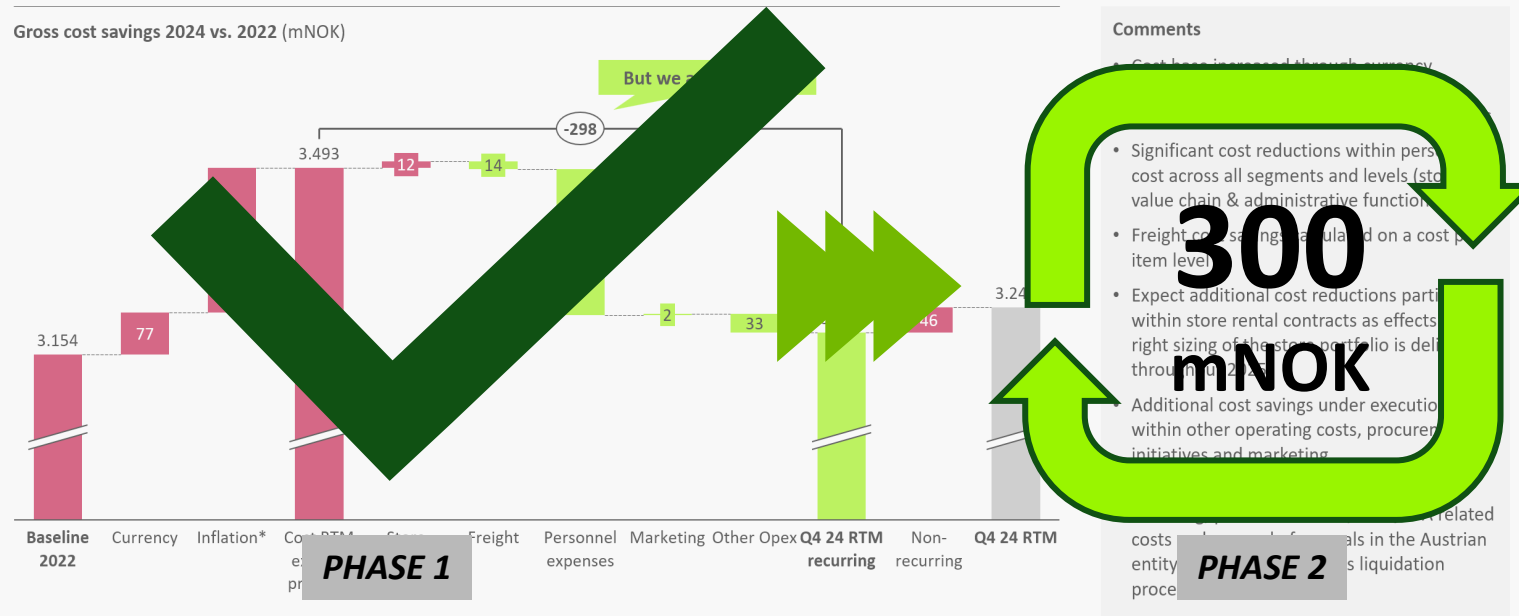
COMMENTS

- Volume led sales growth driven by increases in traffic and conversion
- Gross profit increased by NOK 26.6 mNOK
- Salary adjustments, increased volume and sales bonus drive up personnel cost
- The shift from traditional to digital marketing channels give more traffic for less investment and reduced OPEX together with effect from other cost out activities

Cost-out program progressing well, ~300 mNOK done – Ambition to achieve additional 300 mNOK in cost and capital out by end of 2026

COST-OUT | 298 mNOK gross cost savings according to cost program launched Q2 2023

Gross cost savings 2024 vs. 2022 (mNOK)

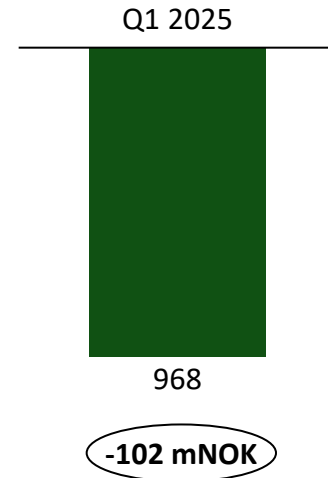


- Phase one of our cost out program was delivered in 2024
- To further secure profitability improvements XXL has established a phase II targeting a MNOK 300 reduction in cost and net working capital by end 2026
- The cost and capital reductions will be achieved through a broad range of measures including:
 - Logistics & supply chain optimization
 - Real estate portfolio optimization
 - Labor efficiency
 - Procurement, utilizing scale from our Nordic platform
 - Technology implementation in core process including supply chain, category management & marketing
 - General cost efficiency within selling, general and administrative Expenses

XXL ASA Q1 2025 balance sheet and cash flow

Net debt development

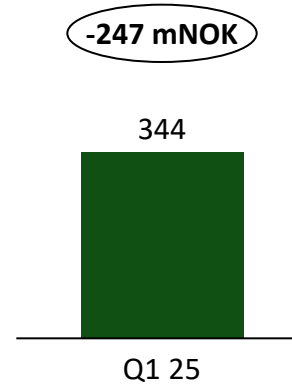
mNOK (YoY change in circle)



- NIBD consists of 194 mNOK in cash & cash equivalents and 1.162 mNOK in interest bearing debt, of which 127 is due within the next 12 months

Liquidity reserves

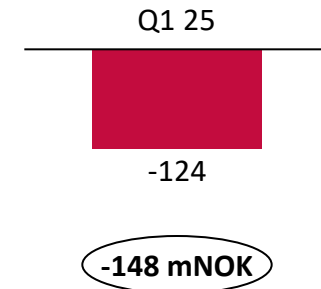
mNOK (YoY change in circle)



- Liquidity continues to be priority #1
- Liquidity in Q1 25 consists of 194 mNOK in cash and 150 mNOK in undrawn facilities
- The liquidity measure includes the credit facility which was 300 mNOK higher in Q1 2024 than Q1 2025

YTD operational cash flow

mNOK (YoY change in circle)



- EBT is 72 mNOK lower than Q1 2024, mainly explained by a currency loss of 53 mNOK (unrealized)
- A higher reported tax expense in Q1 2025 impacts operational cash flow negatively with mNOK 30
- Net working capital movement of -126 mNOK vs Q1 2024, explained by earlier inflow of goods

Rights issue completed – mandatory offer expire May 13th

- ✓ NOK 600 million rights issue closed in March
- ✓ NOK 300 million bridge loan repaid
- ✓ Mandatory offer from Frasers Group launched April 15th, with expiry May 13th 2025



Nordea THOMMESSEN

***A statement from the
Board of Directors
regarding the
mandatory offer
expected on or about
May 5th***

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2025 outlook | Driving “Rethink” initiatives to fuel continued growth

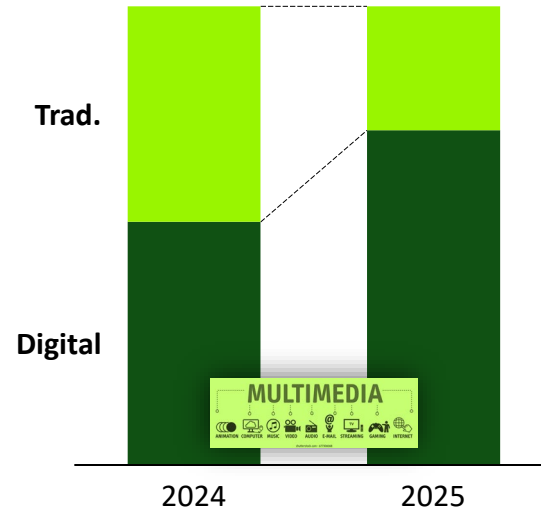
Store restructuring & elevation



Number of planned projects in 2025, ~10 k SQM to be taken out

Modernizing media mix

Planned media spend mix (%)



New media mix to drive increased footfall and online traffic

Value for money



In-house brands to be further strengthened & accelerated in '25

Great brands

Great prices



Reclaimed and strengthened mass-market position

Increasing customer loyalty

We are celebrating
4,4 million
XXL Reward members!

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Continue to develop, strengthen and grow!

Fundamentally we are seeing the Reset & Rethink strategy bearing fruit

But we are now adding new cost out targets and reinforcing NWC focus



300 mNOK

✓ **COST OUT CONTINUED, NOW PHASE 2**

✓ **NET WORKING CAPITAL EFFICIENCY TO BE INCREASED**

Our Reset & Rethink marathon continues in 2025

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BACK TO GROWTH

- Driven by continued commercial renewal

LEAN & MODERN OPERATIONS

- Driven by accelerated internal transformation & cost out objectives

DISCIPLINED CAPITAL & INVENTORY STEERING

- Driven by a structured strategic program



An aerial view of five runners of various ages and ethnicities running on a paved path. The path is bordered by a concrete wall on the left. The runners are in motion, with their shadows cast on the ground. The overall scene conveys a sense of community and fitness.

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Sports unite all

THANK YOU!

Q&A

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Appendix

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Timeline chart showing the impact of the pandemic on the Indian economy from 2022 to 2024. The chart is divided into three periods: 2022 (Q1-Q4), 2023 (Q1-Q4), and 2024 (Q1-Q4). Each period is represented by a red arrow pointing right, indicating a positive impact. The 2022 period is labeled 'Lingering bunkering effect from the pandemic', the 2023 period is labeled 'Capital intensive goods sub-categories more adversely affected', and the 2024 period is labeled 'Continued high campaign pressure in the market'.

Sporting goods market in Norway (indexed, 2000 = 100)

Year	Index
00	100
01	102
02	112
03	121
04	129
05	131
06	147
07	169
08	174
09	200
10	211
11	204
12	207
13	215
14	218
15	237
16	251
17	250
18	253
19	244
20	269
21	283
22	265
23	255
24	244

Consumer price sensitivity

Health & wellness trends

Increase in equipment-focused sports

Weather and seasonal patterns

Fashion and life-style trends

Growth in e-commerce



We believe in a gradual recovery during 2025, with Sweden already leading the way with interest rate cuts as well as early indicators of improved revenues and EBITDA in the quarter

Sports unite all.