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## **XXL ASA - Announcement of terms in the Initial Public Offering**

In conjunction with the announced Intention to Float published on 9 September 2014, XXL ASA ("XXL" or the "Company") has resolved to launch an initial public offering (the "Offer" or the "IPO"). Subject to approval of the listing application and successful completion of the Offer, the shares of XXL will be admitted to trading on the Oslo Stock Exchange on 8 October 2014 under the ticker "XXL" (subject to an extension or shortening of the Offer period).

The Offer Shares are expected to be offered for sale at an equity value of XXL of between NOK 6,886 million and NOK 8,651 million, which (when taking into account certain conversions which impact the number of shares outstanding at any equity value, as further described below) is equivalent to a price per Offer Share of between NOK 45 and NOK 65. The final price per Offer Share (the "Offer Price") may, however, be set above or below this indicative price range.

It is expected that the free float of XXL will be equivalent to at least 27.5% of the share capital (excluding the over-allotment option as further described below) and to as much as 43.1% of the share capital (including the over-allotment option as further described below).

The selling shareholders XIN Holding Guernsey Limited (an entity controlled by EQT V Limited, advised by EQT Partners) ("EQT V"), Dolphin Management AS ("Dolphin Management") and certain other shareholders, including shareholders part of the XXL management, (combined the "Selling Shareholders") intend to offer for sale between 15.5 million and 31.5 million shares (the "Sale Shares"), representing between 12.3% and 27.5% of the shares of XXL. The final number of Sale Shares to be offered will be dependent on the final Offer Price. In addition the Company intends to raise gross proceeds of NOK 1,194m by issuing new shares (the "New Shares and together with the Sale Shares, the "Offer Shares") in the Offer. The proceeds from the issue of the New Shares will be used to repay the principal amount outstanding under an existing shareholder loan (as further described in the appendix) held by EQT V.

Further, pursuant to an over-allotment option, the managers of the Offer may elect to over-allot a number of additional Shares equalling up to 15.0% of the number of Offer Shares. These shares will be provided by EQT, and the Company will consequently not receive any proceeds from any exercise of the over-allotment option.

The Selling Shareholders and other existing shareholders of the Company will be subject to a customary lock-up period of 12 months starting on the first day of listing, except for EQT V, which will be subject to a lock-up period of six months. The Company will be subject to a six month lock-up period.

The Financial Supervisory Authority of Norway has approved the prospectus dated 22 September 2014 (the "Prospectus") which has been prepared in connection with the Offer. The terms and conditions for the Offer, as further set out in the Prospectus, comprise:

(i) an institutional offering, in which Offer Shares are being offered to investors subject to applicable exemptions from the prospectus requirements, and subject to a lower limit per application of NOK 2,000,000; and

(ii) a retail offering, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor.

(iii) an employee offering, in which Offer Shares are being offered to the Company's eligible employees, subject to a lower limit of NOK 15,000 and an upper limit per application of NOK 1,999,999, and in respect of which such eligible employees will receive a discount of NOK 1,500.

ABG Sundal Collier Norge ASA and Goldman Sachs International are acting as Joint Global Coordinators and Joint Bookrunners in the IPO; Carnegie and Credit Suisse are acting as Joint Bookrunners in the IPO and DNB Markets (a part of DNB Bank ASA) is acting as Lead Manager in the IPO. The Joint Global Coordinators and Joint Bookrunners, the Joint Bookrunners and the Lead Manager may altogether be referred to as "Managers".

The bookbuilding for the institutional offering will commence on 23 September 2014 at 09:00 hours (CET), and run until 15:00 hours (CET) on 7 October 2014, and the application period for the retail offering and the employee offering will commence on 23 September 2014 at 09:00 hours (CET) and run until 12:00 hours (CET) on 7 October 2014, both subject to shortening or extensions. In any event, it is expected that, the application period will be open at least until 2 October 2014. The final number of Offer Shares, and the final price per Offer Share, will be determined by EQT V and XXL, in consultation with the Joint Bookrunners, after completion of the book building period for the institutional offering. The pricing of the transaction is expected to take place on or around 8 October 2014 at 07:30 hours (CET) with conditional trading of the shares on the Oslo Stock Exchange to commence on or around 8 October 2014 at 09:00 hours (CET) under the ticker "XXL".

Completion of the Offer is conditional upon (i) the board of directors of the Oslo Stock Exchange approving the application for listing of the shares in the Company in its meeting to be held on 24 September 2014 and the satisfaction of the conditions for admission to trading set by the Oslo Stock Exchange, which are expected to be that (a) XXL will have in excess of 500 shareholders, each holding shares with a value of more than NOK 10,000, (b) there will be a minimum free float of the shares of 25% and (c) the completion of the conversion of existing share classes into ordinary shares and implementation of new articles of association of the Company, (ii) the Board of Directors of the Company resolving to issue the New Shares, (iii) XXL, EQT V and the Global Coordinators and Joint Bookrunners (as representatives of the Managers) having entered into the purchase agreement, (iv) satisfaction of the conditions precedent contained in the purchase agreement, and (v) the purchase agreement not having been terminated in accordance with its terms. There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

The Prospectus will, subject to regulatory restrictions in certain jurisdictions, be available at [www.xxlasa.no](http://www.xxlasa.no), [www.abgsc.no](http://www.abgsc.no), [www.carnegie.no](http://www.carnegie.no) and [www.dnb.no/emisjon](http://www.dnb.no/emisjon), from the commencement of the book-building period and the application period for the Offer, 23 September 2014 at 09:00 hours (CET). Hard copies of the prospectus may also be obtained free of charge from the same date by contacting the Company or one of the Managers.

For further queries, please contact:  
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## **About XXL ASA**

XXL is a leading sports retailer with stores and e-commerce in Norway, Sweden and Finland. It is the fastest growing among the major sports retailers in the Nordic. XXL pursues a broad customer appeal, offering a "one-stop- shop" experience with a wide range of products for sports, hunting, skiing, biking and other outdoor activities. XXL's concept is to have the largest stores with the lowest prices and the widest assortment of products, focusing on branded goods.

## **Important Notice**

This announcement is not and does not form a part of any offer to sell, or a solicitation of an offer to purchase, any securities of the Company.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any part of the offering in the United States or to conduct a public offering of securities in the United States. Any sale in the United States of the securities mentioned in this announcement will be made solely to "qualified institutional buyers" as defined in Rule 144A under the Securities Act.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Directive 2003/71/EC (as amended, together with any applicable implementing measures in any Member State, the "Prospectus Directive"). Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in a prospectus.

In any EEA Member State that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only

with relevant persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "strategy", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Actual events may differ significantly from any anticipated development due to a number of factors, including without limitation, changes affecting the Company's opening of new stores and net sales, changes affecting the Company's gross margin, changes in competition levels, changes in the Company's ability to manage inventory levels, changes affecting net sales, such as variations caused by weather and seasonality, changes affecting personnel expenses and other operating expenses, such as premises costs and marketing costs, changes in laws and regulation and the potential impact of legal proceedings and actions. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this presentation are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or any obligation to update or revise the statements in this presentation to reflect subsequent events. You should not place undue reliance on the forward-looking statements in this document.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm, or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement.

The Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offer and assume no responsibility for this announcement.

None of the Managers or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Selling Shareholders or the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of announcement or its contents or otherwise arising in connection therewith.

## Appendix: Number of issued shares in XXL's share capital at various prices for the Offer Shares

(a) Price per share (NOK)	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
(b) (a*1) Post money market capitalisation (NOKm)	6,886	6,974	7,062	7,151	7,239	7,327	7,415	7,504	7,592	7,680	7,768	7,857	7,945	8,033	8,121	8,210	8,298	8,386	8,474	8,563	8,651
<b>Pre-IPO capital structure (NOKm) <sup>1</sup></b>																					
(c) Shareholder loan (principal)	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194
(d) Shareholder loan (accrued interests)	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
(e) C-shares (preferred)	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
(f) (b-c-d-e) A / B shares (residual)	3,972	4,060	4,148	4,236	4,325	4,413	4,501	4,589	4,678	4,766	4,854	4,942	5,031	5,119	5,207	5,295	5,384	5,472	5,560	5,648	5,737
(g) A/B shares post reverse share split (4:1)	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88
<b>Conversion and New Shares</b>																					
(h) (c+d+e/a) # of shares converted and issued @ IPO value per share	65	63	62	61	59	58	57	56	55	54	53	52	51	50	49	49	48	47	46	46	45
(i) Total shares post IPO	153	152	150	149	148	147	145	144	143	142	141	140	139	139	138	137	136	135	135	134	133

<sup>1</sup>Pre IPO, on the date of the prospectus, the Company's share capital consists of three share classes, A, B and C. On 15 September 2014, the Company's General Meeting resolved to combine the three classes onto one class of ordinary shares in which all the shares carries one voting right and otherwise rank pari passu in all respects with effect from allocation in the Offer. A and B-shares will be converted at a 1:1 basis, whilst the C-shares will be converted into ordinary shares based on the final offer price. The General Meeting on 15 September also resolved to grant the Board of Directors authority to carry out a share capital increase, parts of which will, subject to completion of the Offer, be used to convert accrued and capitalised interest under the Shareholder Loan. The Company will use the proceeds from the New Shares to repay the principal of the Shareholder Loan. The final number of shares outstanding will be determined by the offering price