

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 31, 2025

KONTOOR BRANDS, INC.

(Exact name of registrant as specified in charter)

North Carolina
(State or other jurisdiction
of incorporation)

001-38854
(Commission file number)

83-2680248
(I.R.S. employer
identification number)

400 N. Elm Street
Greensboro, North Carolina 27401
(Address of principal executive offices)

(336) 332-3400
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Common Stock, no par value	KTB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Introductory Note.

On June 2, 2025, Kontoor Brands, Inc. (the "Company") filed with the Securities and Exchange Commission (the "SEC") a Current Report on Form 8-K (the "Initial 8-K") to disclose that the Company had completed its previously announced acquisition of all of the issued and outstanding share capital of CTC Triangle B.V., a Netherlands private limited liability company, which is the parent of a group of companies operating Helly Hansen, the global outdoor and workwear brand (the "Acquisition").

This Current Report on Form 8-K/A amends the Initial 8-K to include (i) the historical audited financial statements and historical unaudited interim financial statements of Helly Hansen required by Item 9.01(a) on Form 8-K and (ii) the unaudited pro forma financial information required by Item 9.01(b) on Form 8-K. The Company had previously indicated in the Initial 8-K that such financial statements and pro forma information would be provided no later than 71 days from the date on which the Initial 8-K was required to be filed.

Except as described above, all other information in the Initial 8-K remains unchanged.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of business acquired.

The audited combined consolidated financial statements of CTC Triangle B.V. and subsidiaries including HH-ALI PTE. Ltd. as of and for the year ended December 31, 2024, and December 31, 2023, are attached hereto as Exhibit 99.1 and incorporated by reference herein.

The unaudited condensed combined consolidated financial statements of CTC Triangle B.V. and subsidiaries including HH-ALI PTE. Ltd. as of and for the three months ended March 31, 2025, and March 31, 2024, are attached hereto as Exhibit 99.2 and incorporated by reference herein.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information for Kontoor Brands, Inc., giving effect to the Acquisition and adjustments described in such pro forma financial information, is attached hereto as Exhibit 99.3 and incorporated by reference herein.

(d) Exhibits.

Exhibit No.	Description
2	Share Purchase Agreement, dated as of February 18, 2025, among Kontoor Nordic Holdings AS, Kontoor Brands, Inc. and Canadian Tire Corporation, Limited (incorporated by reference to Exhibit 2 to the Company's Form 8-K filed with the SEC on February 21, 2025)
23.1	Consent of Deloitte AS
99.1	Audited combined consolidated financial statements of CTC Triangle B.V. and subsidiaries including HH-ALI PTE. Ltd. as of and for the year ended December 31, 2024, and December 31, 2023
99.2	Unaudited condensed combined consolidated financial statements of CTC Triangle B.V. and subsidiaries including HH-ALI PTE. Ltd. as of and for the three months ended March 31, 2025, and March 31, 2024
99.3	Unaudited pro forma condensed combined statements of operations for Kontoor Brands, Inc., for the six months ended June 28, 2025, and the year ended December 28, 2024
104	Cover Page Interactive Data File - The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 14, 2025

KONTOOR BRANDS, INC.

By: /s/ Joseph A. Alkire

Name: Joseph A. Alkire

Title: Executive Vice President, Chief Financial Officer and Head of Global Operations

CONSENT OF INDEPENDENT AUDITOR

We consent to the incorporation by reference in Registration Statement Nos. 333-231624, 333-231625, 333-231626, and 333-233252 on Form S-8 of Kontoor Brands, Inc. of our report dated May 28, 2025, relating to the financial statements of CTC Triangle B.V. and subsidiaries including HH-ALI PTE. Ltd., which appears in this Current Report on Form 8-K/A.

/s/ Deloitte AS
Oslo, Norway
August 14, 2025

Combined Consolidated Financial Statements 2024

CTC Triangle B.V. and subsidiaries including HH-ALI PTE. LTD

INDEPENDENT AUDITOR'S REPORT

Canadian Tire Corporation Limited
2180 Yonge Street, Toronto, Canada

Opinion

We have audited the combined consolidated financial statements of CTC Triangle B.V. and subsidiaries, and 50% joint venture share of HH ALI PTE. LTD (together the "Group"), which comprise the combined consolidated statements of financial position as of December 31, 2024 and 2023, and the related combined consolidated statements of comprehensive income, changes in equity, and statement of cash flows for the years then ended, and the related notes to the combined consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024, and 2023, and the results of its operations and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Group and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern at least, but not limited to, twelve months [one year] from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that,

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte AS



Oslo, Norway

May 28, 2025

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Combined consolidated statement of comprehensive income

For the year ended 31 December

(NOK thousand)	Note	2024	2023
Revenue from contracts with customers	2.1	6 929 797	7 005 775
Other income		89 297	131 209
Total revenues and other income		7 019 094	7 136 984
Cost of goods sold	2.7	3 544 244	3 948 225
Employee benefit expenses	2.2	1 040 295	952 582
Other operating expenses	2.3	1 632 705	1 467 924
Depreciation and amortization	5.1, 5.3, 5.4	252 441	243 354
Operating profit		549 410	524 898
Share of results from joint venture	4.1	-4 811	-62 328
Finance income	6.7	29 930	25 596
Finance expense	6.7	161 896	172 930
Net financial items	-	131 966 -	147 334
Profit before tax		412 632	315 236
Income tax expense	3.1	84 253	49 336
Net profit for the year		328 379	265 900

Other comprehensive income

Items which may subsequently be reclassified to profit or loss:

Translation differences of foreign operations		71 240	59 990
Net gain/(loss) on cash flow hedges, before tax	6.2	98 916	14 534
Income tax on hedging reserve	6.2	-21 762	-3 197
Other comprehensive income for the year		148 394	71 326
Total comprehensive income for the year		476 773	337 226

Net profit/loss for the year attributable to:

Equity holders of the parent company	328 379	265 900
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Total comprehensive income attributable to:

Equity holders of the parent company	476 773	337 226
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Combined consolidated statement of financial position

(NOK thousand)	Note	12/31/2024	12/31/2023	01/01/2023
Intangible assets	5.1	3 418 925	3 398 269	3 380 982
Goodwill	5.1	2 745 081	2 715 693	2 691 099
Property, plant and equipment	5.3	310 196	289 895	210 389
Right-of-use assets	5.4	815 372	746 434	677 926
Non-current derivative financial assets	6.2	59 498	27 178	44 402
Deferred tax asset	3.1	145 361	153 926	152 977
Other non-current assets		13 696	13 355	13 137
Investment in joint venture	4.1	129 867	94 296	110 794
Total non-current assets		7 637 997	7 439 047	7 281 706
Inventories	2.7	2 614 008	2 631 769	2 790 468
Trade and other receivables	2.4	1 372 849	1 263 704	1 406 617
Current derivative financial assets	6.2	189 480	137 611	130 478
Other current assets		136 616	103 154	73 310
Income tax receivable		-	291	-
Cash and cash equivalents	6.6	1 117 415	1 344 408	772 166
Total current assets		5 430 368	5 480 936	5 173 039
Total assets		13 068 365	12 919 982	12 454 745

(NOK thousand)	Note			
Share capital	6.8	976	976	976
Share premium	6.8	7 219 412	7 219 412	7 219 412
Other capital reserves	6.2	425 548	277 153	205 827
Retained earnings		114 871	-244 675	-555 309
Total equity		7 760 807	7 252 866	6 870 906
Non-current interest-bearing liabilities	6.3	-	-	1 962 161
Non-current lease liabilities	5.4	665 859	613 735	564 297
Deferred tax liability	3.1	772 913	763 884	757 643
Non-current derivative financial liabilities	6.2	37 742	21 207	21 703
Non-current provisions	2.6	8 720	3 208	1 096
Non-current contract liabilities	2.1	6 492	4 239	2 090
Other non-current liabilities		5 388	4 958	6 100
Total non-current liabilities		1 497 115	1 411 230	3 315 090
Current interest-bearing liabilities	6.3	1 788 352	2 581 914	431 378
Trade payables		674 838	561 871	788 875
Other current liabilities	2.5	907 297	803 829	791 315
Current lease liabilities	5.4	218 435	190 965	155 116
Current contract liabilities	2.1	16 711	10 656	11 138
Current provisions	2.6	35 182	15 408	27 661
Income tax payable		58 007	-	13 870
Current derivative financial liabilities	6.2	111 622	91 243	49 395
Total current liabilities		3 810 443	4 255 886	2 268 749
Total liabilities		5 307 558	5 667 116	5 583 838
Total equity and liabilities		13 068 365	12 919 982	12 454 745

Oslo, May 28, 2025

/s/ Carrie Ask

Carrie Ask
(CEO of Helly Hansen Group)

Combined consolidated statement of cash flows

All amounts in NOK thousand	Note	2024	2023
Cash flow from operating activities			
Profit/loss before tax		412 632	315 236
<i>Adjustments to reconcile loss before tax to net cash flow</i>			
Share of profit/loss before tax of a joint venture		4 811	62 328
Net financial items	6.7	131 966	147 334
Depreciation and amortization	5.1, 5.3, 5.4	252 441	243 354
Net loss on derivative instruments at fair value through profit or loss	6.1	49 858	58 153
Gain on disposal of property, plant and equipment		-364	-2 041
<i>Working capital adjustments</i>			
Changes in inventories	2.7	17 761	158 699
Changes in trade and other receivables	2.4	-109 145	142 913
Changes in trade payables	2.5	112 967	-227 003
Changes in provisions	2.6	25 286	-10 141
Changes in contract liabilities	2.1	8 308	1 667
Changes in other operating items		71 209	-18 661
<i>Other items</i>			
Tax paid	3.1	-40 407	-50 316
Net cash flows from operating activities		937 322	821 523
Cash flow from investing activities			
Purchase of property, plant and equipment	5.3	-66 220	-131 567
Interest received	6.7	28 176	20 350
Net cash flows from investing activities		-38 044	-111 217
Cash flow from financing activities			
Repayments of borrowings	6.5	-1 025 000	-1 050 000
Proceeds from borrowings	6.5	750 000	600 000
Net change in bank overdraft	6.3, 6.6	-513 774	628 555
Payments for principal for the lease liability	5.4	-183 044	-163 934
Payments for interest for the lease liability	5.4	-33 493	-31 281
Interest paid	6.7	-121 903	-122 285
Net cash flows from financing activities		-1 127 214	-138 945
Net change in cash and cash equivalents		-227 936	571 362
Cash and cash equivalents at beginning of the year		1 344 408	772 166
Net foreign exchange difference		943	880
Cash and cash equivalents at 31 December		1 117 415	1 344 407

Combined consolidated statement of changes in equity

All amounts in NOK thousand

2023	Note	Share capital	Share premium	Other capital reserves		Retained earnings	Total equity
				Hedging reserve	Cumulative translation differences		
Equity as at January 1, 2023		976	7 219 412	76 244	129 584	-555 309	6 870 906
Net profit or loss for the year						265 900	265 900
Other comprehensive income or loss*	6.2			11 336	59 990		71 326
Contribution to joint venture**	1.2, 4.1					44 733	44 733
Equity as at December 31, 2023		976	7 219 412	87 580	189 573	-244 676	7 252 866

2024	Note	Share capital	Share premium	Other capital reserves		Retained earnings	Total equity
				Hedging reserve	Cumulative translation differences		
Equity as at January 1, 2024		976	7 219 412	87 580	189 573	-244 676	7 252 866
Net profit or loss for the year						328 379	328 379
Other comprehensive income or loss*	6.2			77 155	71 240		148 394
Contribution to joint venture**	1.2, 4.1					31 168	31 168
Equity as at December 31, 2024		976	7 219 412	164 734	260 813	114 871	7 760 807

*Other comprehensive income (loss) consists of translation of results and financial position of subsidiaries as well as the parent company with functional currencies different than NOK to the presentation currency and net gain (loss) on cash flow hedges.

**With the reference to note 1.2, the combined financial statements of the Group have been derived from the consolidated financial statements of the ultimate parent company Canadian Tire Corporation Ltd. NOK 31 140 thousand in 2024 and NOK 44 733 thousand represent contribution to HH-ALI PTE. LTD paid by Canadian Tire Corporation Ltd.

Section 1 - Overview

1.1 Corporate information

These combined financial statements consist of CTC Triangle B.V. ("the Company") including subsidiaries and the investment in the joint venture HH-ALI PTE. LTD, collectively referred to as "the Group" in these combined financial statements.

CTC Triangle B.V. ("the Company") is incorporated and domiciled in the Netherlands with principal offices located at Herikerbergweg 88, 1101 CM Amsterdam. HH-ALI PTE. LTD is incorporated and domiciled in Singapore with principal offices located at 3 Church Street, #15-03 Samsung Hub, Singapore 049483.

The Group owns and operates the leading technical outdoor brand Helly Hansen, an international wholesale and retail business specializing in outerwear, base layers and workwear with operations in more than 40 countries, including core markets like Norway, Sweden, Canada, the United Kingdom, and the United States.

These combined financial statements of the Group for the year ended December 31, 2024 were authorized for issue on May 28, 2025.

1.2 Basis of preparation

These combined financial statements have been prepared to fulfill the requirements of S-X Rule 3-05 following the sale of CTC Triangle B.V. including subsidiaries and the investment in the joint venture HH-ALI PTE. LTD from Canadian Tire Corporation Ltd. ("CTC") to Kontoor Brands Inc.

The investment in the joint venture and the remainder of the Group have been under the control of CTC for all periods covered by these combined financial statements. Combined financial statements have been prepared as the investment in the joint venture historically has not legally been a part of the CTC Triangle B.V. or its subsidiaries, but held directly under Canadian Tire Corporation Ltd. (above CTC Triangle B.V in the legal structure).

Principles of combination

The material accounting policies applied in the preparation of the combined financial statements are set out below and in the respective notes. These policies have been consistently applied in all material respects to all the periods presented.

The combined financial statements of the Group for the year ended December 31, 2024 have been derived from the consolidated financial statements of Canadian Tire Corporation Ltd. as if the Group had operated on its own during the periods presented. Intercompany transactions between the Company and the subsidiaries have been eliminated upon consolidation. Further, the combined financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the IASB and represent the first financial statements of the Group in accordance with IFRS Accounting Standards. The Company was not required to prepare consolidated financial statements in previous years.

Comparative financial information is provided for 2023 in the statement of comprehensive income, statement of financial position and statement of cash flows. An additional statement of financial position as at January 1, 2023, including note disclosure, is presented in these combined financial statements due to the first time adoption of IFRS Accounting Standards.

All figures are presented in NOK thousand, except when otherwise stated.

SIGNIFICANT ACCOUNTING JUDGEMENT

Management has exercised significant judgment in determining the basis of preparation for these combined financial statements. This is a complex and judgmental area with limited requirements in IFRS Accounting Standards. The combined financial statements are the first financial statements of the Group applying IFRS Accounting Standards, and the Group is consequently a first-time adopter. Nonetheless, since the reorganization has taken place under common control, the measurement and recognition principles applied in these combined financial statements are based on a continuation of the carrying amounts from CTC Group's consolidated financial statements rather than the recognition and measurement provisions generally applicable for first-time adopters of IFRS Accounting Standards.

1.3 General accounting policies

The Group has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental considerations are disclosed in the notes to which the policies relate. Below is a summary of the Group's accounting policies that are not disclosed in other notes.

Presentation and functional currency

The combined financial statements are presented in Norwegian kroner (NOK).

The Company has EUR as its functional currency. The functional currency in each of the subsidiaries is determined based on the primary economic environment in which the entity operates, i.e., normally the one in which the entity primarily generates and expends cash.

For presentation purposes, items in the combined consolidated statement of financial position are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within the combined consolidated statement of comprehensive income are translated from functional currency to presentation currency by applying monthly average exchange rates. The resulting translation differences are recognized in other comprehensive income.

Statement of cash flows

The combined consolidated statement of cash flows is prepared using the indirect method.

1.4 Significant judgments, estimates and assumptions

The preparation of the combined consolidated financial statements in accordance with IFRS Accounting Standards and the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The accounting policies applied by management which include a significant degree of estimates and assumptions or judgments that may have the most significant effect on the amounts recognized in the financial statements are summarized below:

Estimates and assumptions:

- Variable consideration (ref. note 2.1)
- Value of inventory (ref. note 2.7)
- Useful life of brands (ref. note 5.1)

Accounting judgments:

- Recognition and measurement of deferred tax assets (ref. note 3.1)
- Basis of preparation (ref. note 1.2)

The Group bases its assumptions and estimates on parameters available when the combined consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A detailed description of the significant accounting estimates and judgments is included in the individual notes where applicable.

Section 2 - Operating performance

2.1 Revenue from contracts with customers

The Group generates revenue from customers through three different sales channels: Wholesale, E-commerce and Retail. This includes sale of goods across three product segments: Sport, Musto and Workwear.

The Sport segment features technical apparel and leisurewear designed for winter sports, sailing and marine sports, and outdoor activities, all branded under the Helly Hansen name and trademark. The Musto segment include marine and country wear bearing the Musto name and trademark. Lastly, the Workwear product segment comprises clothing and footwear specifically crafted for industrial work environments.

Additionally, the Group generates a smaller portion of revenue from Professional Services and sales-based royalties from licenses of intellectual property.

ACCOUNTING POLICIES

Identifying performance obligations

The vast majority of Helly Hansen's revenue contracts include the promise to deliver technical apparel and leisurewear across various sport segments and Workwear.

The Group accounts for shipping and handling activities as fulfillment costs and not as a separate performance obligation. Therefore, the shipment services are combined with the promise of delivering goods to the customer.

Additionally, the Group has entered into contracts with mountain resorts to provide uniforms along with related maintenance services (Professional Services). Such arrangements are regarded as two separate performance obligations, being sale of uniforms and maintenance services. The transaction price in such contracts is allocated based on the relative stand-alone selling prices for each performance obligation.

The customers are provided with assurance that the purchased product complies with agreed-upon specifications. The Group consider this as an assurance-type warranty which is not a separate performance obligation. Reference is made to note 2.6 for more information about warranty provisions.

Consideration payable to a customer

Consideration payable to a customer includes advertising allowance to be used by the customer for various marketing initiatives (such as campaigns, promotions, and specific store set-up). The Group assesses these payments as incentives provided by Helly Hansen to entice its customer to purchase its goods, rather than payment for distinct services. Consequently, the consideration for marketing initiatives is accounted for as a reduction of the transaction price and is recognized concurrently with the revenue from the sale of related products.

Sales-based royalties

The Group has licensing agreements for the use of its intellectual property and is entitled to consideration based on percentage of sales of licensed products. Royalty revenue is recognized when the customer's subsequent sales occur.

Timing of revenue recognition

The Group recognizes revenue when it satisfies identified performance obligations by transferring a promised good or service to a customer, at which point the customer obtains control.

For sale of goods within Wholesale, Retail and E-commerce, control is transferred upon shipment or delivery of goods, depending on the contractual terms with the customer. For sale of maintenance services, revenue is recognized over the contract term.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Variable consideration

The Group has entered into contracts with customers that contain variable amounts, including rights to return, discounts, and rebates. Variable consideration is included in the transaction price only if it is highly probable that a significant revenue reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Rebates and discounts are creating variability in the transaction price within the wholesale channel, while right to return creates variability across all three sales channels.

The Group applies the expected value method to estimate variable consideration. This estimation is based on specific customer and product circumstances, as well as historical and anticipated trends for the different products and customers. Estimates of variable consideration are recorded as other current liabilities in the combined consolidated statement of financial position.

2.1 Revenue from contracts with customers (continued)

Contract liabilities

The Group's contract liabilities primarily consist of remuneration received for goods that have been ordered and shipped but not yet delivered to the customer, as well as prepayments for maintenance services three years in advance.

The Group has assessed that the service contracts do not include a significant financing component, as the Group is not provided with a significant benefit from financing based on the transaction price allocated to the maintenance element of the contract.

Specification of revenue (NOK thousand)	2024	2023
Sport	4 900 932	4 924 248
Musto	324 344	373 891
Workwear	1 702 579	1 704 865
Other	1 942	2 771
Total revenue from contracts with customers	6 929 797	7 005 775

Geographical markets (NOK thousand)	2024	2023
North Europe	1 586 123	1 602 325
West Europe	613 119	628 457
East Europe	361 334	368 952
Central Europe	595 013	608 714
South Europe	869 070	833 887
Benelux	219 787	232 155
North America	2 510 167	2 490 316
Other	175 184	240 968
Total revenue from contracts with customers	6 929 797	7 005 775

The revenue information above is based on the locations of the customers.

Timing of revenue recognition (NOK thousand)	2024	2023
Goods transferred at point in time	6 926 830	7 004 697
Goods and services transferred over time	2 967	1 078
Total revenue from contracts with customers	6 929 797	7 005 775

The Group's contract liabilities at the end of the reporting period represents deferred revenue related to performance obligations that will be satisfied once the customer receives the goods and control is transferred, and when control of the services is transferred to the customer over the contract term. The majority of the Group's customer contracts have a duration of less than one year. As such, the Group has applied the practical expedient to not disclose information about transaction price allocated to the remaining performance obligations.

The contract liabilities are presented in the table below:

Contract liabilities (NOK thousand)	12/31/2024	12/31/2023
Amount included at the beginning of the period	14 895	13 228
Addition of new contract liabilities	18 472	12 738
Performance obligations recognized in the period	-10 965	-11 172
Translation differences	801	100
Total contract liabilities	23 203	14 895
Current	16 711	10 656
Non-current	6 492	4 239

2.2 Employee benefit expenses

Employee benefit expenses encompass all forms of remuneration provided to employees of the Group and are expensed when incurred. Ordinary salaries include both fixed salaries and hourly wages, which are earned and paid periodically. Holiday pay is earned based on ordinary pay and is typically paid in the holiday months in the following year. The employer's national insurance contribution (social security) is calculated and expensed for all payroll-related costs, including pensions. Pension contributions are accrued on a monthly basis.

In addition to salaries and pensions, other employee expenses include various benefits such as insurance, company cars and telecommunication allowances.

Pensions

The Group has a defined contribution pension plan for its employees. Contributions are paid to pension insurance plans and are recognized in the statement of comprehensive income in the period to which the contributions relate. Once contributions are made, the Group has no further payment obligations.

Employee benefit expenses	2024	2023
Salaries	830 347	778 448
Bonus	71 555	50 504
Social security costs	82 444	74 866
Pension costs	41 443	36 809
Other employee expenses	14 506	11 955
Total employee benefit expenses	1 040 295	952 582

Key management personnel compensation

The amounts presented in the table below represent the expenses recognized during the reporting period for the Chief Executive Officer ("CEO") and other key management personnel. The remuneration for executive management includes a fixed base salary, bonus, pension and share-based payment. Certain members of management are entitled to severance pay if the Company terminates their employment. The severance payment is equal to six weeks of base salary for every completed year of service with the Company.

Key management personnel participate in a Short-Term Incentive Plan ("STIP") at CTC, which is an annual bonus program linked to both the overall performance of CTC and individual performance metrics.

Additionally, key management personnel are part of a Long-Term Incentive Plan ("LTIP") at CTC. This three-year plan allocates benefits annually, contingent upon the share price of CTC.

Reference is made to note 2.6 for further details regarding current employee benefit provisions and note 7.1 for additional information of the Group's share-based payment plans.

2.2 Employee benefit expenses (continued)

Remuneration to executive management for the year ended December 31, 2024:

NOK thousand

	Salary	Bonus	Pension	Other	Total remuneration
Total remuneration for management team	38 043	8 332	572	10 345	57 292

Remuneration to executive management for the year ended December 31, 2023:

NOK thousand

	Salary	Bonus	Pension	Other	Total remuneration
Total remuneration for management team	27 266	16 355	323	2 178	46 121

The Group incurred NOK 4 629 thousand in 2024 (NOK 7 259 thousand in 2023) for provision of key management personnel services by CTC.

Remuneration to the Board of Directors

Remuneration for the members of the Board applies to compensation for external members.

Remuneration to the Board of Directors for the year ended December 31:

NOK thousand

	2024	2023
Total compensation to Board of Directors	423	-

2.3 Other operating expenses

Other operating expenses (NOK thousand)	2024	2023
Freight and EDC*	308 574	247 253
Commissions	232 727	215 244
Marketing expenses	497 560	442 570
Other consultancy	138 763	117 470
Office expenses	116 462	125 998
Occupation and energy expenses	290 310	284 399
Other operating expenses	48 309	34 991
Total other operating expenses	1 632 705	1 467 924

*Electronic Data Capture

2.4 Trade and other receivables

Trade receivables are non-interest bearing and are generally on terms from 30 to 60 days. The Group's trade receivables consist solely of amounts receivable from revenue contracts with customers.

ACCOUNTING POLICIES

Expected credit losses

The Group recognizes an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Conditions and policies for considering financial assets as in default and when they are written off are further described in note 6.1.

Trade receivables (NOK thousand)	12/31/2024	12/31/2023	01/01/2023
Trade receivables from customers at nominal value	1 238 523	1 215 652	1 280 164
Allowance for expected credit losses	-29 606	-29 186	-25 413
Total trade receivables	1 208 917	1 186 466	1 254 751

Other receivables (NOK thousand)	12/31/2024	12/31/2023	01/01/2023
Other current receivables	163 932	77 237	151 866
Total other receivables	163 932	77 237	151 866

The aging analysis of trade receivables is as follows (NOK thousand):

Days past due					
12/31/2024	Not due	< 30 days	31-60 days	Over 60 days	Total
Trade receivables	905 577	144 827	47 657	140 462	1 238 523

Days past due					
12/31/2023	Not due	< 30 days	31-60 days	Over 60 days	Total
Trade receivables	834 811	179 455	91 319	110 068	1 215 652

Days past due					
01/01/2023	Not due	< 30 days	31-60 days	Over 60 days	Total
Trade receivables	889 990	251 055	48 016	91 103	1 280 164

For details regarding the Group's procedures on managing credit risk, reference is made to note 6.9.

2.5 Other current liabilities

Other current liabilities (NOK thousand)	12/31/2024	12/31/2023	01/01/2023
Public duties and tax payable	116 625	87 470	109 987
Accrual custom duties	142 054	137 341	126 106
Accrual discounts and returns	225 245	138 003	112 145
Marketing liabilities	9 616	6 156	4 800
Warranty reserve	28 366	11 014	9 631
Salary payable and vacation accruals	136 508	112 693	98 779
Freight and DC	71 162	33 551	104 515
Other liabilities*	177 722	277 603	225 351
Total other current liabilities	907 297	803 829	791 315

*Other liabilities consist of accrued expenses, consultancy and legal costs, commissions and various payables

2.6 Provisions

Current provisions (NOK thousand)	12/31/2024	12/31/2023	01/01/2023
Employee benefit provision	23 453	10 950	24 157
Warranties	11 729	4 458	3 505
Total current provisions	35 182	15 408	27 661

ACCOUNTING POLICIES

Provisions are liabilities with uncertain timing or amount and are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, that is, the amount that an entity would rationally pay to settle the obligation at the end of the financial year or to transfer it to a third party.

Warranty provisions

The Group provides its customers with assurance that the purchased product complies with agreed-upon specifications. A provision is recognized for expected warranty claims on products sold during the year, based on past experience of the level of returns of defective products. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about claims based on the warranty period for all products sold.

Provisions related to warranties shown in the tables below:

Provisions (NOK thousand)	Warranties	Total
As of January 1, 2024	4 458	4 458
Additional provisions made	12 845	12 845
Amounts used	5 121	5 121
Unused amounts reversed	590	590
Translation difference	137	137
As of December 31, 2024	11 729	11 729

Provisions (NOK thousand)	Warranties	Total
As of January 1, 2023	3 505	3 505
Additional provisions made	6 645	6 645
Amounts used	4 662	4 662
Unused amounts reversed	1 375	1 375
Translation difference	346	346
As of December 31, 2023	4 458	4 458

Cost related to warranty claims are expected to be incurred in the next financial year. As such, warranty provisions are classified as current.

2.7 Inventories

ACCOUNTING POLICIES

Inventories are valued at the lower of costs and net realizable value. Cost is determined using the standard cost method, which approximates the weighted average cost. The standard cost includes purchase price, shipping, commission and other direct costs.

Inventories (NOK thousand)	12/31/2024	12/31/2023	01/01/2023
Finished goods	2 744 352	2 735 691	2 864 059
Total inventories (gross)	2 744 352	2 735 691	2 864 059
Provision for obsolete reserve	-130 344	-103 922	-73 591
Total inventories at the lower of cost and net realizable value	2 614 008	2 631 769	2 790 468

During 2024, NOK 3 544 244 thousand was recognized as an expense for inventories in the line-item cost of goods sold, compared to NOK 3 948 225 thousand in 2023.

A write down expense of NOK 20 880 thousand was recognized in 2024, compared to NOK 31 821 thousand in 2023.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Value of inventories

The valuation of inventory at net realizable value involves judgment made by management. Inventories are reviewed regularly to ensure that the book value does not exceed the net realizable value. Write-downs are made for obsolete items based on an assessment of the age distribution of inventory items and whether the goods are part of an active or expired product range.

Section 3 - Tax

3.1 Income tax

ACCOUNTING POLICIES

Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

SIGNIFICANT ACCOUNTING JUDGEMENT

Management has applied significant judgment in determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Current income tax expense (NOK thousand)	2024	2023
Tax payable	94 561	35 657
Change deferred tax/deferred tax assets	-10 308	13 679
Total income tax expense / income (-)	84 253	49 336

Deferred tax assets (NOK thousand)	12/31/2024	12/31/2023	01/01/2023
Property, plant and equipment, including leased assets	14 149	71 798	122 717
Intangible assets	10 870	10 575	31 234
Other current assets	231 727	119 694	126 775
Liabilities	242 138	173 138	63 862
Losses carried forward (including tax credit)	739 032	863 819	779 558
Other	39 868	55 856	126 678
Basis for deferred tax assets	1 277 784	1 294 880	1 250 824
Calculated deferred tax assets	318 065	315 462	284 643
- Deferred tax assets not recognized	172 703	161 535	131 666
Net deferred tax assets recognized in balance sheet	145 361	153 927	152 977

Deferred tax liabilities (NOK thousand)	12/31/2024	12/31/2023	12/31/2023
Intangible assets	3 211 864	3 284 474	3 246 560
Other current assets	14 235	8 062	2 614
Derivatives	211 198	95 744	97 748
Losses carried forward (including tax credit)	-	-	7 973
Other	24 288	17 441	17 426
Basis for deferred tax liabilities	3 461 584	3 405 722	3 372 322
Calculated deferred tax liabilities	772 913	763 884	757 643
- Deferred tax not recognized	-	-	-
Net deferred tax liabilities recognized in balance sheet	772 913	763 884	757 643
Net deferred tax asset (-)/liabilities	627 553	609 957	604 666

3.1 Income tax (continued)

A reconciliation of the differences between the theoretical tax expenses under the rate applicable in Norway and the actual tax expense is as follows:

Reconciliation of income tax expense (NOK thousand)	2024	2023
Profit or loss before tax	412 632	315 236
Income tax expense 22% (Norwegian tax rate)*	90 779	69 352
Permanent differences	-6 523	-6 999
Effect of foreign tax rates	1 056	695
Share of results from joint venture	-1 059	-13 712
Recognized income tax expense/(income) (-)	84 253	49 336

*The Norwegian tax rate of 22% is applied as the basis, as the parent company is an empty holding company.

Section 4 - Group and related parties

4.1 Overview of Group companies and joint venture

ACCOUNTING POLICIES

The combined financial statements comprise the financial statements of CTC Triangle B.V. and its subsidiaries as of December 31, 2024. The subsidiaries are consolidated when control is achieved. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The following subsidiaries are included in the combined financial statements as of December 31, 2024:

Consolidated entities 12/31/2024	Location	Ownership
CTC Triangle (Norway) I AS	Norway	100 %
Helly Hansen Holding AS	Norway	100 %
Musto Topco Limited	UK	100 %
Musto Midco Limited	UK	100 %
Musto Bidco Limited	UK	100 %
Musto Limited	UK	100 %
Helly Hansen AS	Norway	100 %
A/S Helly Hansen IMAK	Denmark	100 %
Helly Hansen AB	Sweden	100 %
Helly Hansen Oy	Finland	100 %
Helly Hansen Deutschland GmbH	Germany	100 %
Helly Hansen Austria GmbH	Austria	100 %
Helly Hansen Schweiz AG	Switzerland	100 %
Helly Hansen Italy SRL	Italy	100 %
Helly Hansen Magyarorzag Kft	Hungary	100 %
Helly Hansen Czech Republic s.r.o.	Czech Republic	100 %
Helly Hansen Sp Zoo	Poland	100 %
Helly Hansen (UK) Limited	UK	100 %
Helly Hansen Sportswear Spain	Spain	100 %
Helly Hansen Benelux BV	Netherlands	100 %
Helly Hansen Distributie BV	Netherlands	100 %
Helly Hansen France SARL	France	100 %
Helly Hansen US Inc.	US	100 %
Helly Hansen Leisure Canada Inc.	Canada	100 %
Helly Hansen Far East Limited	Hong Kong	100 %

4.1 Overview of Group companies and joint venture (continued)

Investment in joint venture 12/31/2024	Location	Ownership
HH-ALI PTE. LTD	Singapore	50 %

Entering the Chinese market was intended as part of CTC acquisition of the Helly Hansen Group, as China was viewed to be a significant region in the global outdoor market. In 2021, a 50/50 JV partnership with the Chinese entity ALI was launched to develop and sell Helly Hansen products in China. The JV holding company was set up in Singapore with several subsidiaries and a head office in China. As of year-end 2024 the total numbers of owned and franchise stores amount to 60.

The joint venture has been in a startup phase since its establishment during the COVID-19 pandemic. Throughout the period from inception, the owners have infused new capital to offset initial losses and ensure essential investment capabilities. The joint venture is now entering a new phase where positive results are anticipated in a market with potential. The value of the joint venture is dependent on its success on executing its strategy and meeting expectations for continued growth.

ACCOUNTING POLICIES

Interest in Joint Venture

The Group accounts for its interest in joint venture using the equity method. The accounting policies of the joint venture is aligned with those of the Group. Therefore, no adjustments are made when measuring and recognizing the Group's share of the profit or loss of the investee after the date of acquisition.

Unrealized gains and losses resulting from 'upstream' and 'downstream' transactions between the Group and investee are eliminated; however, this elimination occurs only until the gains or losses are realized in transactions with third parties. Balances such as receivables or payables and deposits or loans to or from equity-accounted investee are not eliminated.

The investment is reviewed at the end of each reporting period to determine whether there are any indicators of impairment. If such evidence exists, the Group recognizes an impairment loss to the extent that the carrying value exceeds the recoverable amount of the investment. No indication of impairment was identified during 2023 and 2024.

Summarized statement of financial position of HH-ALI PTE. LTD

NOK thousand	12/31/2024	12/31/2023	01/01/2023
Equity	259 734	188 593	221 588
Group's share in equity – 50% (2023: 50%)	129 867	94 296	110 794
Goodwill	-	-	-
Group's carrying amount of the investment	129 867	94 296	110 794

Summarized statement of profit or loss of HH-ALI PTE. LTD

NOK thousand	2024	2023
Total comprehensive income for the year	-9 623	-124 655
Group's share of profit for the year	-4 811	-62 328

4.2 Related party transactions and balances

Related parties include shareholder, members of the Board and the executive management team in the Group. Note 6.8 provides information on the Group's shareholder. Remuneration paid to executive management and the Board for the current and prior periods are presented in note 2.2.

All transactions within the Group or with other related parties are based on the principle of arm's length.

Intercompany balances and transactions between consolidated companies are eliminated in the combined financial statements and are not presented in this note.

The following tables provide the total amount of transactions and balances with related parties (outside the Group), consisting of amounts from CTC and HH-ALI PTE. LTD, with the majority of transactions being with CTC for the relevant financial years:

Related party transactions (NOK thousand)	2024	2023	2022
<i>Canadian Tire Corporation Ltd</i>			
Sales to related party	463 908	610 521	601 612
Interest expenses	89 819	107 733	32 228
Amounts owed to related party*	8 866	40 139	34 164
Amounts owed by related party (ref. note 6.3)	1 242 194	1 521 981	1 962 161
 <i>HH-ALI PTE. LTD</i>			
Royalty fees	19 994	10 417	2 798
Sales to related party	7 048	2 088	7 261
Amounts owed to related parties*	37 507	15 254	5 000

*The amounts are classified as trade receivables.

Section 5 - Non-current assets

5.1 Intangible assets and goodwill

ACCOUNTING POLICIES

Recognized goodwill and brands originates from the acquisition of Helly Hansen by CTC in 2018.

Goodwill is measured at cost less any accumulated impairment and is not amortized.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The useful lives of intangible assets are assessed as either finite or indefinite, and may in some cases involve considerable judgment. Brands are intangible assets with indefinite useful lives. Brands are measured at cost, less any accumulated impairment and are not amortized. The recognized brands, which include Helly Hansen and Musto, represent legal brands of the Group. As the Group currently has no approved plans to change its store banners and intends to continue to use and renew its brands, there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows. Therefore, these intangible assets are considered to have indefinite useful lives.

Goodwill and brands are tested for impairment and impairment reversals annually and whenever there is an indicator of impairment or impairment reversals. The key assumptions used to determine the recoverable amounts are disclosed in note 5.2.

NOK thousand	Goodwill	Brands	Total
Acquisition cost January 1, 2023	2 691 099	3 380 982	6 072 080
Currency translation adjustments	24 594	17 287	41 881
Acquisition cost December 31, 2023	2 715 693	3 398 269	6 113 961
Currency translation adjustments	29 388	20 657	50 045
Acquisition cost December 31, 2024	2 745 081	3 418 925	6 164 006

NOK thousand			
Accumulated impairment January 1, 2023	-	-	-
Impairment for the year	-	-	-
Currency translation adjustments	-	-	-
Accumulated impairment December 31, 2023	-	-	-
Impairment for the year	-	-	-
Currency translation adjustments	-	-	-
Accumulated impairment December 31, 2024	-	-	-

Carrying amount as of January 1, 2023	2 691 099	3 380 982	6 072 080
Carrying amount as of December 31, 2023	2 715 693	3 398 269	6 113 961
Carrying amount as of December 31, 2024	2 745 081	3 418 925	6 164 006

Economic life	Indefinite	Indefinite
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5.2 Impairment assessment

ACCOUNTING POLICIES

Property, plant and equipment, and right-of-use assets are assessed for indicators of impairment at the end of each reporting period. If indicators exist, then the recoverable amount of the asset is estimated. The indicators monitored by the management include, but are not limited to, significant declines in asset value, adverse changes in technology, physical damage or obsolescence of the asset, and significant adverse changes in economic performance that are currently affecting or are expected to affect the asset. No indication of impairment was identified during 2023 and 2024. There have historically been no impairments and reversal assessment are therefore not applicable.

Goodwill and brands are not amortized but are subject to annual impairment testing, and when circumstances indicate that the carrying value may be impaired. This involves comparing the carrying amount of goodwill and brands to its recoverable amount, which is the higher of fair value less costs to sell and value in use. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. No impairment was recognized during 2023 and 2024.

The goodwill acquired in the business combination of Helly Hansen by CTC in 2018, was allocated to one CGU, the Helly Hansen CGU.

The estimated recoverable amount of goodwill and brands is determined based on the value in use, which involves estimating future cash flows before taxes. The cash flow projections included specific estimates for up to five years and terminal growth rates to extrapolate cash flow projections beyond the period covered by the most recent forecasts. The growth rate applied to the terminal value is based on management's estimate of the growth rate specific to the item being tested. The future cash flow estimates are discounted to their present value using an appropriate discount rate that incorporates a risk premium specific to the business.

The key assumptions used in the estimation of the recoverable amount for goodwill and brands are set out below:

	2024	2023
Discount rate	10.25%	11.5%
Terminal growth rate	3 %	3 %

A change in the assumptions used in testing goodwill and brands could cause the carrying amount to exceed the estimated recoverable amount. The following mutually exclusive changes in the assumptions would result in the carrying value being equal to the recoverable amount:

	Increases in Discount Rate	Decreases in Terminal Growth Rate
Change in assumptions	1.8%	2.3%

In addition, changes in assumptions for revenue and EBITDA growth could also cause the carrying amount to exceed the estimated recoverable amount.

5.3 Property, plant & equipment

ACCOUNTING POLICIES

Property, plant and equipment (PP&E) are initially measured at cost and depreciated over the economic useful life of the asset, except for leasehold improvements during construction which are measured at cost less any accumulated impairment. The cost of an item of property or equipment includes initial estimates of the cost of dismantling and removing the item and restoring the site on which it is located.

Self-funded leasehold improvements are recognized as PP&E. Amortization of leasehold improvements begins when the lease is available for its intended use and is amortized over the shorter of the estimated useful life or lease term.

(NOK thousand)	Fixtures and equipment	Leasehold improvements	Construction in progress	Total
Acquisition cost January 1, 2023	382 729	125 381	17 531	525 640
Additions	79 367	33 586	18 615	131 567
Disposals	-5 213	-16 918	-	-22 131
Transfers	30 724	2 279	-33 003	-
Currency translation effects	16 156	6 252	779	23 187
Acquisition cost December 31, 2023	503 762	150 580	3 922	658 264
Additions	30 191	14 035	21 994	66 220
Disposals	-22 584	-369	-	-22 953
Transfers	-2 386	24 355	-21 969	-
Currency translation effects	26 717	10 906	393	38 017
Acquisition cost December 31, 2024	535 700	199 507	4 340	739 547
(NOK thousand)				
Acc.dep. & impairment January 1, 2023	251 159	64 093	-	315 252
Depreciation for the year	45 442	16 474	-	61 916
Impairment	-	-	-	-
Disposals/retirements	-5 077	-15 013	-	-20 090
Currency translation effects	8 122	3 169	-	11 291
Acc.dep. & impairment December 31, 2023	299 647	68 722	-	368 369
Depreciation for the year	45 296	18 799	-	64 095
Impairment	-	-	-	-
Disposals/retirements	-22 220	-369	-	-22 589
Currency translation effects	5 110	14 366	-	19 477
Acc.dep. & impairment December 31, 2024	327 834	101 518	-	429 352
Carrying amount as of January 1, 2023	131 569	61 288	17 531	210 389
Carrying amount as of December 31, 2023	204 115	81 857	3 922	289 895
Carrying amount as of December 31, 2024	207 867	97 989	4 340	310 196

Economic life	3-5 years	3-5 years
Depreciation method	Linear	Linear

There was no impairment of property, plant and equipment in 2024 or 2023, refer to note 5.2.

5.4 Right-of-use assets and lease liabilities

The majority of the Group's leased assets comprise property (retail stores, offices, warehouses, showrooms, etc.) and vehicles. The Group also leases office equipment, such as coffee machines and printers, in addition to various warehouse equipment.

ACCOUNTING POLICIES (lessee accounting)

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases (defined as 12 months or less) and leases of low-value assets (with an underlying value of less than USD 5 thousand). The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liability

Lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or a rate. Variable lease payments that do not depend on an index or a rate and non-lease components, such as payments related to maintenance activities and shared costs (e.g. cleaning of shared areas in the building), are expensed as incurred and recognized in other operating expenses. The Group has chosen to separate non-lease components from lease payments.

In calculating the present value of lease payments, the Group generally uses the lessee's incremental borrowing rate when initially recording property leases. For property leases, the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor relating to the leased assets are not available. The Group determines the incremental borrowing rate as the rate of interest that the lessee would pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use-asset in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Determining the lease term of contracts with renewal and termination options

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

When it comes to property leases where the Group constructs leasehold improvements before moving in, the start date in the contract usually reflects the date when control of the leased asset is transferred to the Group, which is also the date the Group applies as the commencement date in the lease calculation.

5.4 Right-of-use assets and lease liabilities (continued)

Right-of-use assets (NOK thousand)	Property	Vehicles	Other	Total
Balance as of January 1, 2023	653 369	18 413	6 145	677 926
Additions	132 164	16 710	-	148 874
Remeasurement	69 799	96	-	69 895
Depreciation	-164 013	-12 124	-5 301	-181 438
Terminations	-	-	-	-
Currency translation effects	29 413	1 297	467	31 177
Carrying amount as of December 31, 2023	720 731	24 392	1 311	746 434
Additions	97 843	17 109	82	115 034
Remeasurement	94 451	-	-	94 451
Depreciation	-174 972	-12 750	-624	-188 346
Terminations	-	-	-	-
Currency translation effects	46 564	1 126	109	47 799
Carrying amount as of December 31, 2024	784 618	29 877	878	815 372
Remaining lease term	4 years	2 years	2 years	
Depreciation method	Straight-line	Straight-line	Straight-line	

The Group's lease liabilities are presented in the table below:

Change in the lease liabilities (NOK thousand)	2024	2023
Balance as of January 1	804 700	719 414
New leases recognized during the period (additions)	113 966	148 874
Remeasurement	94 451	69 895
Cash (lease) payments	-216 536	-195 215
Interest expense	33 493	31 281
Termination settlement	-607	-
Currency translation effects	54 827	30 451
Total lease liabilities as of December 31	884 293	804 700
Current lease liabilities in the financial position	218 435	190 965
Non-current lease liabilities in the financial position	665 859	613 735

Maturity of lease liabilities

For undiscounted lease liabilities and maturity of cash outflows, refer to note 6.5.

5.4 Right-of-use assets and lease liabilities (continued)

Lease recognized in profit or loss	2024	2023
Depreciation expense of right-of-use assets	188 346	181 438
Interest expense on lease liabilities	33 597	31 281
Expense relating to short-term leases	257	3 212
Expense relating to leases of low value assets	151	137
Expense relating to variable lease payments not included in the measurement of the lease liability	180	180
Total amount recognized in profit or loss	222 531	216 248

The Group had total cash outflows for leases of NOK 216 536 thousand in 2024 (NOK 195 215 thousand in 2023).

Lease commitments not yet commenced

As of December 31, 2024, the Group has two property lease contracts that have not yet commenced. The future lease payments for these lease contracts correspond to annual payments of NOK 7 579 thousand.

The Group does not have any other significant exposure related to its leases which require further disclosures.

Section 6 - Financial instruments, risk and equity

6.1 Overview of financial instruments

ACCOUNTING POLICIES

At initial recognition, financial assets are classified according to the Group's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified in one of the following measurement categories: (i) amortized cost, (ii) fair value through OCI ("FVOCI"), and (iii) fair value through profit or loss ("FVTPL"). Financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL.

Financial instruments at amortized cost

Financial assets are subsequently measured at amortized cost if both the following conditions are met, and they are not designated as FVTPL:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets are subsequently measured at amortized cost using the effective interest method, and are subject to impairment, with a loss allowance, ECL, recognized on either a 12-month or a lifetime ECL basis.

Financial liabilities are subsequently measured at amortized cost using the effective interest method with gains and losses recognized in net income in the period that the liability is derecognized, except for financial liabilities classified as FVTPL.

Financial instruments at fair value through other comprehensive income

Financial assets are classified as FVOCI when the financial asset meets the business model objective by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest.

Financial instruments classified as FVOCI are measured at fair value, with changes in fair value recorded in other comprehensive income in the period in which they arise.

Financial instruments at fair value through profit or loss

All financial assets not classified as subsequently measured at amortized cost or FVOCI, are measured at FVTPL. This includes derivative financial assets that are not part of a designated hedging relationship.

Financial instruments classified as FVTPL are measured at fair value, with changes in fair value recorded in Net income in the period they arise, to the extent they are not part of the effective portion of a designated hedging relationship.

6.1 Overview of financial instruments

As of December 31, 2024 (NOK thousand)	Note	Financial instruments at fair value		
		Financial instruments at amortized cost	Financial instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss
Non-current derivative financial assets	6.2	-	59 498	-
Trade and other receivables	2.4	1 372 849	-	-
Current derivative financial assets	6.2	-	189 480	-
Cash and cash equivalents	6.6	1 117 415	-	-
Total financial assets		2 490 263	248 978	-
Non-current interest-bearing liabilities	6.3	-	-	-
Non-current derivative financial liability	6.2	-	24 208	13 535
Current interest-bearing liabilities	6.3	1 788 352	-	-
Trade payables	2.5	674 838	-	-
Current derivative financial liability	6.2	-	64 783	46 839
Total financial liabilities		2 463 190	88 991	60 373

As of December 31, 2023 (NOK thousand)	Note	Financial instruments at fair value		
		Financial instruments at amortized cost	Financial instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss
Non-current derivative financial assets	6.2	-	27 178	-
Trade and other receivables	2.4	1 263 704	-	-
Current derivative financial assets	6.2	-	81 046	56 565
Cash and cash equivalents	6.6	1 344 408	-	-
Total financial assets		2 608 111	108 224	56 565
Non-current interest-bearing liabilities	6.3	-	-	-
Non-current derivative financial liability	6.2	-	21 207	-
Current interest-bearing liabilities	6.3	2 581 914	-	-
Trade payables	2.5	561 871	-	-
Current derivative financial liability	6.2	-	83 795	7 448
Total financial liabilities		3 143 785	105 002	7 448

6.1 Overview of financial instruments (continued)

As of January 1, 2023 (NOK thousand)	Note	Financial instruments at amortized cost	Financial instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss
Non-current derivative financial assets	6.2	-	44 402	-
Trade and other receivables	2.4	1 406 617	-	-
Current derivative financial assets	6.2	-	73 221	57 257
Cash and cash equivalents	6.6	772 166	-	-
Total financial assets		2 178 782	117 623	57 257
Non-current interest-bearing liabilities	6.3	1 962 161	-	-
Non-current derivative financial liability	6.2	-	21 703	-
Current interest-bearing liabilities	6.3	431 378	-	-
Trade payables	2.5	788 875	-	-
Current derivative financial liability	6.2	-	35 503	13 892
Total financial liabilities		3 182 413	57 207	13 892

6.2 Derivatives

The Group enters into foreign currency derivative contracts to hedge its exposure to foreign currency risk associated with future sales and purchases of foreign-currency-denominated inventory. These derivatives are designated as hedging instruments as cash flow hedges. The Group also enters into foreign currency derivative contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for future transactions. These are herein referred to as FX Balance Sheet Contracts.

ACCOUNTING POLICIES

All derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The gain or loss that results from remeasurement at each reporting period is immediately recognized in profit or loss unless the derivative qualifies and is designated as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The fair value of a foreign exchange forward contract is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges

For cash flow hedges, the effective portion of the hedge is recognized in other comprehensive income (OCI) and reclassified to profit or loss when the hedged item affects profit or loss. The ineffective portion is recognized immediately in profit or loss. If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment.

The Group enters into foreign currency derivative contracts to hedge its exposure against foreign currency risk on future sales and payments of foreign-currency-denominated inventory. The critical terms of the foreign currency derivative contracts align with the hedged item on a 1:1 basis. Hedge ineffectiveness may arise if the timing of the hedged transactions changes from the original estimate.

The effective portion of changes in the fair value of the hedging derivative will be recorded in OCI, and the ineffective portion will be recorded in COGS in the period during which it arises. The cumulative balance related to the effective portion of changes in the fair value of the hedging derivative will be reclassified into COGS immediately upon de-designation.

6.2 Derivatives (continued)

The impact of the cash flow hedge on the statement of financial position is as follows:

As of December 31, 2024	Notional Amount	Carrying Amount	Line item in the statement of financial position	Change in fair value
FX Inventory Contract	3 004 802	245 933	Derivative Asset	225 723
			Derivative Asset/	
FX Sales Contract	3 555 792	-85 945	Derivative Liability	-68 958
FX Balance Sheet Contract	115 087	-60 373	Derivative Liability	-109 463
Total	6 675 681	99 614		47 303

As of December 31, 2023	Notional Amount	Carrying Amount	Line item in the statement of financial position	Change in fair value
			Derivative Asset/	
FX Inventory Contract	2 964 346	20 209	Derivative Liability	-23 194
			Derivative Asset/	
FX Sales Contract	2 884 091	-16 987	Derivative Liability	-34 000
			Derivative Asset/	
FX Balance Sheet Contract	110 433	49 089	Derivative Liability	5 724
	5 958 870	52 312		-51 470

The impact of the cash flow hedge on the statement of profit or loss and other comprehensive income is as follows:

	2024		2023	
	Change in fair value	Cash flow hedge reserve	Change in fair value	Cash flow hedge reserve
Foreign exchange contracts			-57 194	14 534
Balance Sheet Contract	-109 463	-	5 724	-
	-109 463	-	-51 470	14 534

As of December 31, 2024 (NOK thousand)	Total hedging gain/loss recognized in OCI	Recorded in P&L	Amount reclassified from OCI to P&L
Foreign exchange contracts	98 916	57 849	-189 439
Balance Sheet Contract	-	-109 463	-
	98 916	-51 614	-189 439

As of December 31, 2023 (NOK thousand)	Total hedging gain/loss recognized in OCI	Recorded in P&L	Amount reclassified from OCI to P&L
Foreign exchange contracts	14 534	-71 727	-100 282
Balance Sheet Contract	-	5 724	-
	14 534	-66 003	-100 282

6.2 Derivatives (continued)

Impact of hedging on equity:

	2024	2023
	Cash flow hedge	Cash flow hedge
(NOK thousand)	reserve	reserve
Balance, beginning of year	112 282	97 748
Changes in fair value:		
<i>Changes in fair value</i>	156 765	-57 194
<i>Deferral - OCI (timing)</i>	128 677	172 010
Amount reclassified to profit or loss	-189 439	-100 282
MTM on outstanding cash balance designated	2 913	-
Balance, end of year	211 198	112 282
Tax on movements on reserves during the year	-46 464	-24 702
Net, cash flow hedge reserve, after tax	164 734	87 580

Overview of the Group's foreign exchange forward contracts:

As of December 31, 2024

(NOK thousand)	> 12 months	1-2 years	2-3 years	3-4 years	Total
FX Inventory Contract	187 304	58 628	-	-	245 933
FX Sales Contract	-62 607	-23 338	-	-	-85 945
FX Balance Sheet Contract	-46 839	-13 535	-	-	-60 373
Total	77 858	21 756	-	-	99 614

As of December 31, 2023

(NOK thousand)	> 12 months	1-2 years	2-3 years	3-4 years	Total
FX Inventory Contract	22 752	-2 543	-	-	20 209
FX Sales Contract	-25 501	8 514	-	-	-16 987
FX Balance Sheet Contract	49 089	-	-	-	49 089
Total	46 340	5 971	-	-	52 312

As of January 1, 2023

(NOK thousand)	> 12 months	1-2 years	2-3 years	3-4 years	Total
FX Inventory Contract	32 415,57	17 548	-6 560	-	43 404
FX Sales Contract	5 302	8 302	3 409	-	17 012
FX Balance Sheet Contract	43 365	-	-	-	43 365
Total	81 082	25 850	-3 151	-	103 781

6.3 Interest-bearing liabilities

Specification of the Group's interest-bearing liabilities

In 2020, CTC Triangle (Norway) I AS entered a multi-currency loan agreement with CTC. The loan incurs interest expenses only, with no additional borrowing costs. The initial term of the agreement is effective until December 31, 2024, and will automatically extend for successive one-year terms thereafter unless terminated by either party. As of December 31, 2024, the agreement has been extended with one year.

Interest-bearing liabilities (NOK thousand)	Interest rate	Maturity	12/31/2024	12/31/2023	01/01/2023
Canadian Tire Corporation, Limited (NOK)	NIBOR+1.36%	2025	1 242 194	1 521 981	1 962 161
Bank overdraft (ref. note 6.6)		2025	546 158	1 059 933	431 378
Total interest-bearing liabilities			1 788 352	2 581 914	2 393 539
					-
Current interest-bearing liabilities in the financial position			1 788 352	2 581 914	431 378
Non-current interest-bearing liabilities in the financial position					1 962 161

Bank overdrafts represent overdraft on the Group's cash pool arrangement. For more information, references are made to note 6.6.

In 2023, the Group established a credit facility with DNB which may be drawn at any time up to NOK 175 million. The Group has not drawn any amounts on the facility as of December 31, 2024. The Group pays a fixed annual charge of NOK 700 thousand for the access to the credit facility regardless of whether the facility is utilized. The annual fees are expensed on a straight line basis over the commitment period.

The Group has no covenants related to the loan.

The reconciliation of changes in liabilities incurred as a result of financing activities are presented in note 6.5.

6.4 Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Cash and cash equivalents, short-term deposit, trade and other receivables, loans receivable, trade and other payables, short-term borrowings, and loans are carried at amounts that approximate their fair value either due to their short-term nature or because they are derivatives carried at fair value.

Long-term receivables and other assets are carried at amounts that approximate their fair value because their carrying amounts reflect current market interest rates or because they are derivatives carried at fair value.

Fair values of financial instruments reflect the credit risk of the Company and counterparties when appropriate.

Interest-bearing liabilities

The fair values of the Group's interest-bearing liabilities are determined by using the Discounted Cash Flow (DCF) method using a discount rate that reflects the issuer's borrowing rate as of the end of the reporting period. The fair values of the Group's interest-bearing liabilities are in most cases similar to the carrying amount, as the interest rates are floating and the non-performance risk as of December 31, 2024, was assessed to be insignificant.

Derivatives

The fair value of derivatives is estimated using readily observable market inputs and standard valuation models. Foreign exchange forward contracts are estimated by discounting the difference between the contractual forward price and the current forward price and applying a risk-free rate to reflect the maturity of the contract.

6.4 Fair value measurement (continued)

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

As of December 31, 2024

(NOK thousand)	Carrying value	Fair value	Level 1	Level 2	Level 3
Non-current derivative financial assets	59 498	59 498		X	
Current derivative financial assets	189 480	189 480		X	
Non-current derivative financial liability	37 742	37 742		X	
Current derivative financial liability	111 622	111 622		X	

As of December 31, 2023

(NOK thousand)	Carrying value	Fair value	Level 1	Level 2	Level 3
Non-current derivative financial assets	27 178	27 178		X	
Current derivative financial assets	137 611	137 611		X	
Non-current derivative financial liability	21 207	21 207		X	
Current derivative financial liability	91 243	91 243		X	

As of January 1, 2023

(NOK thousand)	Carrying value	Fair value	Level 1	Level 2	Level 3
Non-current derivative financial assets	44 402	44 402		X	
Current derivative financial assets	130 478	130 478		X	
Non-current derivative financial liability	21 703	21 703		X	
Current derivative financial liability	49 395	49 395		X	

6.5 Aging of financial liabilities

Contractual undiscounted cash flows from non-derivative financial liabilities are presented below:

As of December 31, 2024 (NOK thousand)	Note	Remaining contractual maturity					Total
		> 12 months	1-2 years	2-3 years	3-4 years	< 4 years	
Interest-bearing liabilities	6.3	1 882 170					1 882 170
Lease liabilities	5.4	210 624	175 596	151 302	125 679	306 531	969 733
Trade and other current liabilities		1 582 135	-	-	-	-	1 582 135
Total financial liabilities		3 674 928	175 596	151 302	125 679	306 531	4 434 037

As of December 31, 2023 (NOK thousand)	Note	Remaining contractual maturity					Total
		> 12 months	1-2 years	2-3 years	3-4 years	< 4 years	
Interest-bearing liabilities	6.3	2 705 839					2 705 839
Lease liabilities	5.4	183 781	160 378	125 825	107 891	300 784	878 657
Trade and other current liabilities		1 365 700					1 365 700
Total financial liabilities		4 255 320	160 378	125 825	107 891	300 784	4 950 197

As of January 1, 2023 (NOK thousand)	Note	Remaining contractual maturity					Total
		> 12 months	1-2 years	2-3 years	3-4 years	< 4 years	
Interest-bearing liabilities	6.3	517 008	2 047 791				2 564 799
Lease liabilities	5.4	157 543	137 685	123 165	97 450	288 509	804 353
Trade and other current liabilities		1 580 189					1 580 189
Total financial liabilities		2 254 740	2 185 476	123 165	97 450	288 509	4 949 341

6.5 Aging of financial liabilities (continued)

Reconciliation of changes in liabilities incurred as a result of financing activities:

NOK thousand	Note	As of January 1, 2024	Cash flow effect	Non-cash changes			As of December 31, 2024
				Foreign exchange movement	New leases	Other Changes*	
Non-current interest-bearing liabilities	6.3	-	-	-	-	-	-
Non-current lease liabilities	5.4	613 735	-	54 827	207 810	-210 513	665 858
Non-current interest-bearing liabilities		613 735	-	54 827	207 810	-210 513	665 858
Current interest-bearing liabilities	6.3	2 581 914	-788 803	-	-	-4 759	1 788 352
Current lease liabilities		190 965	-216 536	-	-	244 006	218 435
Current interest-bearing liabilities		2 772 879	-1 005 339	-	-	239 247	2 006 787

NOK thousand	Note	As of January 1, 2023	Cash flow effect	Non-cash changes			As of December 31, 2023
				Foreign exchange movement	New leases	Other Changes*	
Non-current interest-bearing liabilities	6.3	1 962 161	-450 000	-	-	-1 512 161	-
Non-current lease liabilities	5.4	564 297	-	30 451	218 769	-199 783	613 735
Non-current interest-bearing liabilities		2 526 458	-450 000	30 451	218 769	-1 711 944	613 735
Current interest-bearing liabilities	6.3	431 378	509 987	-	-	1 640 549	2 581 914
Current lease liabilities	5.4	155 116	-195 215	-	-	231 064	190 966
Current interest-bearing liabilities		586 494	314 772	-	-	1 871 613	2 772 880

*The 'Other changes' column includes the effect of reclassification of non-current portion of lease liabilities, reclassification from non-current to current on interest-bearing liabilities and the effect of accrued interest of the Group's interest-bearing liabilities and leases during the year. The Group classifies interest paid as cash flows from financing activities.

An overview of the maturity profile of the Group's derivatives is presented in note 6.2.

6.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and banks which is subject to an insignificant risk of changes in value. Restricted bank deposits comprise of deposits and cash for withholding taxes which may not be used for other purposes.

Cash and cash equivalents (NOK thousand)	12/31/2024	12/31/2023	01/01/2023
Bank deposits, unrestricted	1 084 182	1 312 128	749 557
Bank deposits, restricted	33 232	32 279	22 609
Total cash and cash equivalents	1 117 415	1 344 408	772 166

The Group has a cash-pool arrangement in DNB held by Helly Hansen AS, a subsidiary of the Group. The system is a multi-currency group account system that are linked to a common limit account. The cash pool arrangement is presented on a gross basis, meaning that negative balances on group accounts are classified as current interest-bearing liabilities (refer to note 6.3) and are presented as overdrafts under financing activities in the cash flow statement.

6.7 Finance income and expenses

Interest expense on lease liabilities represents the interest rate to measure the lease liabilities recognized in the combined consolidated statement of financial position (see note 5.4 for further information).

The Group's interest expense relates mainly to the Group's interest-bearing liabilities. References are made to note 6.3.

Finance income (NOK thousand)	2024	2023
Interest income	28 176	20 350
Foreign exchange gain	1 754	5 246
Total financial income	29 930	25 596

Finance expenses (NOK thousand)	2024	2023
Interest expense	117 115	132 105
Interest expense on lease liabilities	33 597	31 281
Foreign exchange loss	3 781	3 328
Other financial expenses	7 403	6 216
Total financial expenses	161 896	172 930
Net finance expenses recognized in profit or loss	-131 966	-147 334

6.8 Share capital and shareholders information

The Group's share capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The ultimate parent

The Company is wholly owned by Canadian Tire Corporation Limited. The shareholder is a public entity domiciled in Canada and listed at the Toronto Stock Market with ticker "CTC".

Issued capital and reserves:

Share capital in CTC Triangle B.V.	Number of shares issued and fully paid	Par value per share (EUR)	Financial position (NOK thousand)
As of January 1, 2023	100,00	1,0	976
As of December 31, 2023	100,00	1,0	976
As of December 31, 2024	100,00	1,0	976

The Group's share capital is converted to NOK using a historical exchange rate of NOK 9.79.

There have been no capital increases in 2023 or 2024.

Shareholders in CTC Triangle B.V.

as of December 31, 2024	Country	Total shares	Ownership/voting rights
Canadian Tire Corporation, Ltd	Canada	100,001	100,00 %
Total		100,001	100,00 %

Dividends

No dividends have been paid out in any of the periods presented.

6.9 Financial risk management

Overview

The Group is exposed to a range of risks affecting its financial performance, including market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group seeks to minimize potential adverse risks through sound business practice and risk management.

Market risk

Interest rate risk

The Group's exposure to the risk of changes in interest rates relates to the company's debt financing with Canadian Tire Corporation Ltd (nominated in NOK), which has interest rates that include both fixed and floating components. Due to the market disruptions, the inflation is high, and this has led to increased interest rates. According to expectations the interest rates may have peaked, but it is uncertain when and how fast we will see a decrease in the rates. The Group has not entered into any hedging contracts to hedge against this exposure.

Foreign currency risk

The Group is exposed to currency fluctuations due to the international nature of its operations. Sales take place in the sales companies' local currency. Further, USD and Euro are the largest single currencies for purchases. Both sales and purchases constitute a high currency risk. Changes in exchange rates between NOK, USD, Euro and some other currencies can have a negative impact on the company's earnings. Forward contracts are used to secure the future value of income and expenses in foreign currency. The market disruptions lead to inflation, increased interest and currency fluctuations and currency hedging is high on the company's agenda.

Other market risks

The Group's operations are seasonal. Historically, large parts of sales and earnings have come in the third and fourth quarters. Sales are sensitive to changes in the weather situation. War and conflict, in addition to climate change, produces market place turbulence with raising interest rates and currency volatility. Customers and consumers are under constant pressure which leads to significant pressure on costs and revenue. Despite this, the Group improved profitability and invested in strategic initiatives, teams and capabilities. Going forward the Group will continue to assess effects of the market disruptions and advance on the strategic agenda.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in US Dollars (USD) and Euro (EUR) exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The impact on the Group's pre-tax effect on equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

(NOK thousand)	Date	Change in FX rate	Effect on profit before tax	Pre-tax effect on equity
Increase / decrease in EUR	December 31, 2024	+/- 5%	2 973	-79 336
Increase / decrease in USD	December 31, 2024	+/- 5%	-66 213	162 524

(NOK thousand)	Date	Change in FX rate	Effect on profit before tax	Effect on pre-tax equity
Increase / decrease in EUR	December 31, 2023	+/- 5%	3 064	-55 978
Increase / decrease in USD	December 31, 2023	+/- 5%	-63 820	150 145

(NOK thousand)	Date	Change in FX rate	Effect on profit before tax	Effect on pre-tax equity
Increase / decrease in EUR	January 1, 2023	+/- 5%	4 888	-32 251
Increase / decrease in USD	January 1, 2023	+/- 5%	-61 283	119 027

6.9 Financial risk management (continued)

Liquidity risk

The primary objective of the Group's capital management is to ensure that it maintains a healthy working capital and financial stability in order to support its growing business operations. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain and adjust the capital structure and mitigate the liquidity risk, the Group has established a credit facility with DNB which may be drawn at any time up to NOK 175 million (ref. note 6.3).

An overview of the maturity profile of the Group's financial liabilities with corresponding cash flow effect is presented in note 6.5.

Credit risk

Credit risk is mainly associated with trade receivables and is influenced by the retail market's exposure to financial trends and shifts in the Group's customer base purchasing patterns. However, this risk is limited due to the relatively large size of the company's customer base. Additionally, a significant portion of the company's accounts receivable is insured through Allianz Trade, further reducing potential credit risk.

Reference is made to note 2.4 for an overview of the aging of trade receivables and a description of the expected credit loss model.

Section 7 - Other disclosures

7.1 Share-based payment

Performance Share Units

The Group grants Performance Share Units ("PSUs") to certain of its employees that generally vest after three years. Each PSU entitles the participant to receive a cash payment equal to the fair market value of the Canadian Tire Corporation Ltd's Class A Non-Voting Shares on the date set out in the Performance Share Unit plan, multiplied by a factor determined by specific performance-based criteria and a relative total shareholder return modifier.

Restricted Share Units

The Group grants Restricted Share Units ("RSUs") to certain of its employees that generally vest on a graduated basis, with one-third vesting each year on the anniversary date of the grant. Each RSU entitles the participant to receive a cash payment equal to the fair market value of the Canadian Tire Corporation Ltd's Class A Non-Voting type of Shares on the date set out in the Restricted Share Unit plan.

ACCOUNTING POLICIES

The liability for the Performance Share Units and Restricted Share Units is measured, initially and at the end of each reporting period until settled, at fair value, by applying an option pricing model, taking into account the terms and conditions on which the Units were granted, and the extent to which the employees have rendered services to date.

The expense and liability recognized for the share-based compensation is summarized as follows:

	2024		2023	
	PSUs	RSUs	PSUs	RSUs
Liability for share-based payment transactions at the beginning of the year	5 847	2 861	14 774	1 839
Expense (recovery) arising from share-based payment transactions	6 557	3 609	-990	2 427
Payment of share-based payment transaction (if any)	-2 285	-2 222	-7 937	-1 405
Liability for share-based payment transactions at the end of the year	10 119	4 247	5 847	2 861

	2024		2023	
	PSUs	RSUs	PSUs	RSUs
Share price at end of year (C\$)	\$ 152.87	\$ 152.87	\$ 140.72	\$ 140.72
Expected remaining life (years)	2.0	1.0	0.6	1.0
Expected dividends	4.4 %	4.3 %	6.8 %	5.0 %
Expected volatility*	21.5 %	18.4 %	24.2 %	23.0 %
Risk-free interest rate	2.8 %	3.0 %	5.2 %	5.0 %
	Black-	Black-	Black-	Black-
Model used	Scholes	Scholes	Scholes	Scholes

*Reflects historical volatility over a period of time similar to the remaining life of the stock options, which may not necessarily be the actual outcome.

7.2 Events after the reporting period

Non-adjusting events

In April 2025, the US government imposed tariffs on goods imported from a range of countries, including countries from which Helly Hansen sources products. The situation is still developing, and management is currently assessing how the potential impacts of evolving economic conditions and policy decisions may affect revenues, pricing pressure, gross margins, and inventory levels going forward, with the expected highest impact being on the North American markets.

**Condensed Combined Consolidated Interim Financial
Statements Q1 2025**

CTC Triangle B.V. and subsidiaries including HH-ALI PTE. LTD

Condensed combined consolidated interim statement of comprehensive income
Condensed combined consolidated interim statement of financial position
Condensed combined consolidated interim statement of cash flows
Condensed combined consolidated interim statement of changes in equity

Notes to the condensed combined consolidated interim financial statements

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- 3.3 Cash and Cash Equivalents

Section 4 - Other disclosures

- 4.1 Overview of Group companies and joint venture
- 4.2 Related party transactions
- 4.3 Events after the reporting period

Condensed combined consolidated interim statement of comprehensive income
For the three months ended 31 March

(NOK thousand)	Note	Q1 2025	Q1 2024
Revenue from contracts with customers	2.1	1 650 679	1 563 808
Other income		22 377	17 372
Total revenues and other income		1 673 056	1 581 181
Cost of goods sold		771 357	761 081
Employee benefit expenses		297 754	261 666
Other operating expenses		433 404	347 062
Depreciation and amortization		67 553	62 817
Operating profit		102 989	148 555
Share of results from joint venture	4.1	16 976	-3 525
Finance income		6 992	7 576
Finance expense		31 360	41 188
Profit before tax		95 596	111 417
Income tax expense		23 723	8 465
Net profit for the year		71 874	102 952

Other comprehensive income

Items which may subsequently be reclassified to profit or loss:

Translation differences of foreign operations		-43 342	40 234
Net gain/(loss) on cash flow hedges, before tax	3.1	-211 153	22 940
Income tax on hedging reserve	3.1	46 454	-5 047
Other comprehensive income for the year		-208 041	58 127
Total comprehensive income for the year	-	136 167	161 079

Net profit/loss for the year attributable to:

Equity holders of the parent company	71 874	102 952
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Total comprehensive income attributable to:

Equity holders of the parent company	-136 167	161 079
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Condensed combined consolidated interim statement of financial position

(NOK thousand)	Note	3/31/2025	12/31/2024
Intangible assets		3 409 922	3 418 925
Goodwill		2 732 272	2 745 081
Property, plant and equipment		308 924	310 196
Right-of-use assets		931 409	815 372
Non-current derivative financial assets	3.1	-	59 498
Deferred tax asset		166 197	145 361
Other non-current assets		12 660	13 696
Investment in joint venture	4.1	137 705	129 867
Total non-current assets		7 699 089	7 637 997
Inventories	2.2	2 368 447	2 614 008
Trade and other receivables		1 142 681	1 372 849
Current derivative financial assets	3.1	66 238	189 480
Other current assets		76 415	136 616
Cash and cash equivalents		700 226	1 117 415
Total current assets		4 354 007	5 430 368
Total assets		12 053 096	13 068 365
(NOK thousand)	Note		
Share capital		976	976
Share premium		7 219 412	7 219 412
Other capital reserves	3.1	217 506	425 548
Retained earnings		186 745	114 871
Total equity		7 624 639	7 760 807
Non-current lease liabilities		779 765	665 859
Deferred tax liability		770 069	772 913
Non-current derivative financial liabilities	3.1	-	37 742
Non-current provisions		12 112	8 720
Non-current contract liabilities		6 054	6 492
Other non-current liabilities		6 286	5 388
Total non-current liabilities		1 574 285	1 497 115
Current interest-bearing liabilities		1 416 654	1 788 352
Trade payables		333 688	674 838
Other current liabilities		784 387	907 297
Current lease liabilities		218 006	218 435
Current contract liabilities		611	16 711
Current provisions		21 370	35 182
Income tax payable		55 307	58 007
Current derivative financial liabilities	3.1	24 148	111 622
Total current liabilities		2 854 171	3 810 443
Total liabilities		4 428 456	5 307 558
Total equity and liabilities		12 053 096	13 068 365

Oslo, 13 August 2025
/s/ Zornitsa Radkova-Lund

Zornitsa Radkova-Lund
(Representing the Helly Hansen Group)

Condensed combined consolidated interim statement of cash flows

For the three months ended 31 March

All amounts in NOK thousand	Note	Q1 2025	Q1 2024
Cash flow from operating activities			
Profit/loss before tax		95 596	111 417
<i>Adjustments to reconcile loss before tax to net cash flow</i>			
Share of profit/loss before tax of joint venture		-16 976	3 525
Net financial items		24 368	33 612
Depreciation and amortization		67 553	62 817
Net gain/loss on derivative instruments at fair value through profit or loss		-143 797	43 889
Gain on disposal of property, plant and equipment		-37	-7
<i>Working capital adjustments</i>			
Changes in inventories	2.2	245 561	148 482
Changes in trade and other receivables		230 168	54 636
Changes in trade payables		-341 149	-191 671
Changes in provisions		-10 420	2 188
Changes in contract liabilities		-16 538	-4 394
Changes in other operating items		-61 061	-19 727
<i>Other items</i>			
Tax paid		-12 327	-9 343
Net cash flows from operating activities		60 941	235 425
Cash flow from investing activities			
Purchase of property, plant and equipment		-31 334	-10 345
Interest received		5 782	7 353
Net cash flows from investing activities		-25 552	-2 992
Cash flow from financing activities			
Repayments of borrowings		-275 000	-200 000
Net change in bank draft		-85 064	-259 764
Payments for principal for the lease liability		-47 796	-44 215
Payments for interest for the lease liability		-9 700	-8 131
Interest paid		-31 096	-39 926
Net cash flows from financing activities		-448 656	-552 036
Net change in cash and cash equivalents		-413 267	-319 604
Cash and cash equivalents at beginning of the year		1 117 415	1 344 408
Net foreign exchange difference		-3 921	4 317
Cash and cash equivalents at 31 March		700 226	1 029 121

Condensed combined consolidated interim statement of changes in equity

All amounts in NOK thousand

	Note	Paid-in equity		Other capital reserves		Retained earnings	Total equity
		Share capital	Share premium	Hedging reserve	Cumulative translation differences		
2025							
Equity as at January 1, 2025		976	7 219 412	164 734	260 813	114 871	7 760 807
Net profit or loss for the year						71 874	71 874
Other comprehensive income or loss, net of tax*	3.1			-164 699	-43 342		-208 041
Equity as at March 31, 2025		976	7 219 412	35	217 471	186 745	7 624 640

	Note	Paid-in equity		Other capital reserves		Retained earnings	Total equity
		Share capital	Share premium	Hedging reserve	Cumulative translation differences		
2024							
Equity as at January 1, 2024		976	7 219 412	87 580	189 573	-244 676	7 252 866
Net profit or loss for the year						102 952	102 952
Other comprehensive income or loss, net of tax*	3.1			17 893	40 234		58 127
Equity as at March 31, 2024		976	7 219 412	105 473	229 807	-141 724	7 413 945

*Other comprehensive income (loss) consists of translation of results and financial position of subsidiaries as well as the parent company with functional currencies different than NOK to the presentation currency and net gain (loss) on cash flow hedges.

Section 1 - Overview

1.1 Corporate information

These condensed combined consolidated interim financial statements consist of CTC Triangle B.V. ("the Company") including subsidiaries and the investment in the joint venture HH-ALI PTE. LTD, collectively referred to as "the Group" in these combined condensed combined interim financial statements.

CTC Triangle B.V. is incorporated and domiciled in the Netherlands with principal offices located at Herikerbergweg 88, 1101 CM Amsterdam. HH-ALI PTE. LTD is incorporated and domiciled in Singapore with principal offices located at 3 Church Street, #15-03 Samsung Hub, Singapore 049483.

The Group's operational activities are related to the sale of technical outdoor apparel and workwear. The products are sold in more than 40 countries, including core markets like Norway, Sweden, Canada, the United Kingdom and the United States.

The condensed combined consolidated interim financial statements of the Group for the period ended 31 March 2025 were authorized for issue on 13 August 2025.

1.2 Basis of preparation

The condensed combined consolidated interim financial statements of the Group comprise condensed combined consolidated interim statement of comprehensive income, condensed combined consolidated interim statement of financial position, condensed combined consolidated interim statement of cash flows, condensed combined consolidated interim statement of changes in equity and selected explanatory notes.

The condensed combined consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the IASB.

The condensed combined consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual combined financial statements for the year ended 31 December 2024. The accounting policies adopted in the preparation of the condensed combined consolidated interim financial statements are consistent with those applied in the preparation of the Group's annual combined financial statements for the year ended 31 December 2024.

All figures are presented in NOK thousand, except when otherwise stated.

1.3 Significant judgments, estimates and assumptions

In preparing the condensed combined consolidated interim financial statements, the significant judgments, estimates and assumptions made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those applied to the Group's annual combined financial statements for the year ended 31 December 2024.

Section 2 - Operating performance

2.1 Revenue from contracts with customers

The Group generates revenue from customers through three different sales channels: Wholesale, E-commerce and Retail. This includes sale of goods across three product segments: Sport, Musto and Workwear. Additionally, the Group generates a smaller portion of revenue from Professional Services and sales-based royalties from licenses of intellectual property.

The Group's operations are seasonal due to its focus on outdoor and sports apparel that is influenced by seasonal activities and weather conditions. Historically, large parts of revenues and operating profits have come in the second half of the year rather than in the first six months.

Specification of revenue (NOK thousand)	For the three months ended 31 March	
	Q1 2025	Q1 2024
Sport	1 144 089	1 007 668
Musto	96 139	112 515
Workwear	410 451	443 625
Other	-	-
Total revenue from contracts with customers	1 650 679	1 563 808

Geographical markets (NOK thousand)	For the three months ended 31 March	
	Q1 2025	Q1 2024
North Europe	321 571	303 569
West Europe	152 334	143 048
East Europe	76 279	96 285
Central Europe	147 294	140 736
South Europe	248 704	238 264
Benelux	63 099	61 175
North America	572 150	537 642
Other	69 248	43 090
Total revenue from contracts with customers	1 650 679	1 563 808

The revenue information above is based on the locations of the customers.

Timing of revenue recognition (NOK thousand)	For the three months ended 31 March	
	Q1 2025	Q1 2024
Goods transferred at point in time	1 650 595	1 563 762
Goods and services transferred over time	84	46
Total revenue from contracts with customers	1 650 679	1 563 808

2.2 Inventories

Inventories (NOK thousand)	3/31/2025	12/31/2024
Finished goods	2 495 214	2 744 352
Total inventories (gross)	2 495 214	2 744 352
Provision for obsolete reserve	-126 768	-130 344
Total inventories at the lower of cost and net realizable value	2 368 447	2 614 008

During Q1 2025, NOK 767 100 thousand was recognized as an expense for inventories in the line item cost of goods sold (Q1 2024: NOK 761 100 thousand).

No write down expenses were recognized in Q1 2025 or Q1 2024.

3.1 Derivatives

The Group enters into foreign currency derivative contracts, to hedge its exposure to foreign currency risk associated with future sales and purchases of foreign-currency-denominated inventory. These derivatives are designated as hedging instruments as cash flow hedges. The Group also enters into foreign currency derivative contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for future transactions.

For information about the settlement of the derivatives see note 4.3 Events after the reporting period.

The impact of the cash flow hedge on the statement of financial position, as follows:

As of March 31, 2025	Notional Amount	Carrying Amount	Line item in the statement of financial position	Change in fair value
FX Inventory Contract	1 394 909	16 922	Derivative Asset/ Derivative Liability	-229 010
FX Sales Contract	1 415 180	25 167	Derivative Asset/ Derivative Liability	111 112
FX Balance Sheet Contract*	-	-	Derivative Liability	60 373
Total	2 810 089	42 089		-57 525

* All balance sheet hedges were realised in March 2025.

As of December 31, 2024	Notional Amount	Carrying Amount	Line item in the statement of financial position	Change in fair value
FX Inventory Contract	3 004 802	245 933	Derivative Asset/ Derivative Liability	225 723
FX Sales Contract	3 555 792	-85 945	Derivative Asset/ Derivative Liability	-68 958
FX Balance Sheet Contract	115 087	-60 373	Derivative Asset/ Derivative Liability	-109 463
	6 675 681	99 614		47 303

The impact of the cash flow hedge on the statement of profit or loss and other comprehensive income, as follows:

	For the three months ended 31 March			
	Q1 2025		Q1 2024	
	Change in fair value	Cash flow hedge reserve	Change in fair value	Cash flow hedge reserve
Foreign exchange contracts	-117 898	211 153	61 170	-22 940
Balance Sheet Contract	60 373	-	-79 398	-
	-57 525	211 153	-18 228	-22 940

As of March 31, 2025 (NOK thousand)	Total hedging gain/loss recognized in OCI	Recorded in P&L	Amount reclassified from OCI to P&L
Foreign exchange contracts	-211 153	93 255	-125 775
Balance Sheet Contract	-	60 373	-
	-211 153	153 628	-125 775

As of December 31, 2024 (NOK thousand)	Total hedging gain/loss recognized in OCI	Recorded in P&L	Amount reclassified from OCI to P&L
Foreign exchange contracts	98 916	57 849	-189 439
Balance Sheet Contract	-	-109 463	-
	98 916	-51 614	-189 439

3.1 Derivatives (continued)

Impact of hedging on equity:

	For the three months ended 31 March	
	Q1 2025	Q1 2024
	Cash flow hedge reserve	Cash flow hedge reserve
(NOK thousand)		
Balance, beginning of year	211 198	112 282
Changes in fair value:	-	-
<i>Changes in fair value</i>	-117 898	-61 170
<i>Deferral of de-designated hedges</i>	32 520	23 618
Amount reclassified to profit or loss	-122 862	60 492
MTM on outstanding cash balance designated	-2 913	-
Balance, end of period	45	135 222
Tax on movements on reserves during the year	-10	-29 749
Net, cash flow hedge reserve, after tax	35	105 473

In the following table is the overview of the Group's is foreign exchange forward contracts:

As of March 31, 2025	> 12				
(NOK thousand)	months	1-2 years	2-3 years	3-4 years	Total
FX Inventory Contract	16 922	-	-	-	16 922
FX Sales Contract	25 167	-	-	-	25 167
FX Balance Sheet Contract	-	-	-	-	-
Total	42 089	-	-	-	42 089

As of December 31, 2024	> 12				
(NOK thousand)	months	1-2 years	2-3 years	3-4 years	Total
FX Inventory Contract	187 304	58 628	-	-	245 933
FX Sales Contract	-62 607	-23 338	-	-	-85 945
FX Balance Sheet Contract	-46 839	-13 535	-	-	-60 373
Total	77 858	21 756	-	-	99 614

3.2 Fair value measurement

Fair value disclosures

Cash and cash equivalents, short-term deposits, trade and other receivables, loans receivable, trade and other payables, short-term borrowings, and loans are carried at fair value or amounts that approximate their fair value due to their short-term nature.

Non-current assets are carried at fair value or amounts that approximate their fair value because their carrying amounts reflect current market interest rates. Fair values of financial instruments reflect the credit risk of the Company and counterparties when appropriate.

Interest-bearing liabilities

The fair values of the Group's interest-bearing liabilities are determined by using the Discounted Cash Flow (DCF) method using a discount rate that reflects the issuer's borrowing rate as of the end of the reporting period. The fair value of the Group's interest-bearing liabilities are in most cases similar to the carrying amount, as the interest rates are floating and the non-performance risk as of 31 March 2025, was assessed to be insignificant.

Derivatives

The fair value of derivatives is estimated using readily observable market inputs and standard valuation models. Foreign exchange forward contracts are estimated by discounting the difference between the contractual forward price and the current forward price and applying a risk-free rate to reflect the maturity of the contract.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

As of March 31, 2025

(NOK thousand)	Carrying value	Fair value	Level 1	Level 2	Level 3
Non-current derivative financial assets*	-	-		X	
Current derivative financial assets	66 238	66 238		X	
Non-current derivative financial liability	-	-		X	
Current derivative financial liability	24 148	24 148		X	

As of December 31, 2024

(NOK thousand)	Carrying value	Fair value	Level 1	Level 2	Level 3
Non-current derivative financial assets	59 498	59 498		X	
Current derivative financial assets	189 480	189 480		X	
Non-current derivative financial liability	37 742	37 742		X	
Current derivative financial liability	111 622	111 622		X	

*The Group's balance sheet contracts have been settled during the first quarter of 2025.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at hand and banks which is subject to an insignificant risk of changes in value. Restricted bank deposits comprise of deposits and cash for withholding taxes which may not be used for other purposes.

Cash and cash equivalents (NOK thousand)	3/31/2025	12/31/2024
Bank deposits, unrestricted	668 283	1 084 182
Bank deposits, restricted	31 943	33 232
Total cash and cash equivalents	700 226	1 117 415

The Group has a cash-pool arrangement in DNB held by Helly Hansen AS, a subsidiary of the Group. The system is a multi-currency group account system linked to a common limit account. The cash pool arrangement is presented on a gross basis, meaning that negative balances within individual currency accounts are classified as current interest-bearing liabilities and presented as overdrafts under financing activities in the cash flow statement.

4.1 Overview of Group companies and joint venture

The following subsidiaries are included in the combined condensed consolidated financial statements as of March 31, 2025:

Consolidated entities 03/31/2025	Location	Ownership
CTC Triangle (Norway) I AS	Norway	100 %
Helly Hansen Holding AS	Norway	100 %
Musto Topco Limited	UK	100 %
Musto Midco Limited	UK	100 %
Musto Bidco Limited	UK	100 %
Musto Limited	UK	100 %
Helly Hansen AS	Norway	100 %
A/S Helly Hansen IMAK	Denmark	100 %
Helly Hansen AB	Sweden	100 %
Helly Hansen Oy	Finland	100 %
Helly Hansen Deutschland GmbH	Deutschland	100 %
Helly Hansen Austria GmbH	Austria	100 %
Helly Hansen Schweiz AG	Switzerland	100 %
Helly Hansen Italy SRL	Italy	100 %
Helly Hansen Magyarorzag Kft	Hungary	100 %
Helly Hansen Czech Republic s.r.o.	Czech Republic	100 %
Helly Hansen Sp Zoo	Poland	100 %
Helly Hansen (UK) Limited	UK	100 %
Helly Hansen Sportswear Spain	Spain	100 %
Helly Hansen Benelux BV	Netherlands	100 %
Helly Hansen Distributi BV	Netherlands	100 %
Helly Hansen France SARL	France	100 %
Helly Hansen US Inc.	US	100 %
Helly Hansen Leisure Canada Inc.	Canada	100 %
Helly Hansen Far East Limited	Hong Kong	100 %
Investment in joint venture 03/31/2025	Location	Ownership
HH-ALI PTE. LTD	Singapore	50 %

Entering the Chinese market was intended as part of CTC acquisition of the Helly Hansen Group, as China was viewed to be a significant region in the global outdoor market. In 2021, a 50/50 JV partnership with the Chinese entity ALI was launched to develop and sell Helly Hansen products in China. The JV holding company was set up in Singapore with several subsidiaries and a head office in China.

HH-ALI PTE. LTD has been in a startup phase since its establishment during the COVID-19 pandemic. Throughout the period from inception, the owners have infused new capital to offset initial losses and ensure essential investment capabilities. The improved profitability in Q1 2025, when compared to Q1 2024, is largely due to higher revenues and improving gross margins, somewhat offset by higher operating expenses. The value of the joint venture is dependent on its success to execute its strategy and meeting expectations for continued growth.

4.2 Related party transactions

Related parties include the shareholder, members of the Board and the executive management team in the Group.

All transactions within the Group or with other related parties are based on the principle of arm's length.

Intercompany balances and transactions between consolidated companies are eliminated in the combined condensed consolidated interim financial statements and are not presented in this note.

The following tables provide the total amount of transactions and balances with related parties, consisting of amounts from Canadian Tire Corporation Ltd. ("CTC") and HH-ALI PTE. LTD, with the majority of transactions being with CTC for the relevant periods:

Related party transactions (NOK thousand)	For the three months ended 31 March	
	2025	2024
<i>Canadian Tire Corporation Ltd.</i>		
Sales to related party	89 262	90 992
Interest expenses	14 559	21 173
<i>HH-ALI PTE. LTD</i>		
Royalty fees	-7 377	2 982
Sales to related party	705	2 160
Related party balances (NOK thousand)	3/31/2025	
	12/31/2024	
<i>Canadian Tire Corporation Ltd.</i>		
Amounts owed to related party*	24 300	8 866
Amounts owed by related party	955 559	1 242 194
<i>HH-ALI PTE. LTD</i>		
Amounts owed to related parties*	41 892	37 507

*The amounts are classified as trade receivables.

4.3 Events after the reporting period

Adjusting events

There have been no significant adjusting events subsequent to the reporting date.

Non-adjusting events

In April 2025, the US government imposed tariffs on goods imported from a range of countries, including countries from which Helly Hansen sources products. The situation is still developing, and management is currently assessing how the potential impacts of evolving economic conditions and policy decisions may affect revenues, pricing pressure, gross margins, and inventory levels going forward, with the expected highest impact being on the North American markets. Certain measures have been taken to mitigate the impact on the Group.

On May 31, 2025, the Helly Hansen Group was acquired by the U.S. lifestyle apparel company Kontoor Brands, Inc. As part of the pre-closing transaction steps, the Group's outstanding loan to Canadian Tire Corporation Ltd. ("CTC") has been converted into equity. Additionally, the shares in the joint venture HH-ALI PTE. LTD have been transferred from CTC to Helly Hansen AS. These transactions have been executed through an in-kind capital contribution from CTC to the Group.

Furthermore, the majority of the Group's derivatives were settled in April and May 2025, prior to the completion of the transaction with Kontoor Brands, Inc.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Introduction

On May 31, 2025 (the "Closing Date"), Kontoor Brands, Inc. (the "Company" or "Kontoor") completed its acquisition (the "Acquisition") of all of the issued and outstanding share capital of CTC Triangle B.V., a Netherlands private limited liability company, which is the parent of a group of companies that operates the *Helly Hansen*® and *Musto*® brands. CTC Triangle B.V. and its subsidiaries are collectively referred to as "Helly Hansen."

The Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 28, 2025, and for the year ended December 28, 2024, are presented to give effect to the Acquisition and the related financing as if it had occurred on December 31, 2023, which is the beginning of the fiscal year ended December 28, 2024. Subsequent to the Acquisition, the Company has filed its quarterly report on Form 10-Q for the period ended June 28, 2025. As the most recent historical balance sheet includes the acquired Helly Hansen business, a pro forma balance sheet has not been presented in the pro forma financial information herein. The unaudited pro forma financial information for Kontoor is derived from, and should be read in conjunction with, its Form 10-K as filed with the Securities and Exchange Commission (the "SEC") on February 25, 2025, and its Form 10-Q as filed with the SEC on August 7, 2025. The unaudited pro forma financial information for Helly Hansen is derived from, and should be read in conjunction with, its historical audited Combined Consolidated Statement of Operations of Helly Hansen, for the year ended December 31, 2024, and its historical unaudited Condensed Combined Consolidated Statement of Operations of Helly Hansen for the three months ended March 31, 2025, included as exhibits to this Form 8-K.

The unaudited pro forma condensed combined financial information is presented as follows:

- The Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 28, 2025, was prepared based on (i) the historical unaudited Consolidated Statement of Operations of Kontoor for the six months ended June 28, 2025, which includes one month of post-acquisition results of Helly Hansen, (ii) the historical unaudited Condensed Combined Consolidated Statement of Operations of Helly Hansen for the three months ended March 31, 2025, and (iii) the results from operations for the two months ended May 31, 2025, representing the pre-acquisition stub period of Helly Hansen.
- The Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 28, 2024, was prepared based on (i) the historical audited Consolidated Statement of Operations of Kontoor for the year ended December 28, 2024, and (ii) the historical audited Combined Consolidated Statement of Operations of Helly Hansen for the year ended December 31, 2024.

The Acquisition was accounted for using the acquisition method of accounting for business combinations under the provisions of Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") Topic 805, Business Combinations ("ASC 805"). The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of Regulation S-X and are presented to illustrate the estimated effects of the Acquisition (the "Transaction Accounting Adjustments") and financing impacts (the "Financing Adjustments" and, collectively, the "Adjustments").

The unaudited pro forma condensed combined financial information and related notes are provided for illustrative purposes only and do not purport to represent what the combined company's actual results of operations or financial position would have been had the Acquisition been completed on the dates indicated, nor are they necessarily indicative of the combined company's future results of operations or financial position for any future period. The pro forma adjustments are based on the preliminary assumptions and information available that management believes are reasonable under the circumstances. The historical financial statements of the Company and Helly Hansen have been adjusted in the accompanying unaudited pro forma condensed combined financial information to give effect to pro forma events that constitute accounting adjustments, which are necessary to account for the Acquisition in accordance with U.S. generally accepted accounting principles ("GAAP"). The unaudited pro forma adjustments are based upon the limited availability of information provided to Kontoor management and certain assumptions that Kontoor management believes are reasonable.

The following unaudited pro forma condensed combined financial information gives effect to the Acquisition, which includes adjustments for the following:

- Certain reclassifications to conform Helly Hansen's historical financial statement presentation to the Company's historical financial statement presentation (Note 2);
- Transaction Accounting Adjustments (Note 3); and
- Proceeds and uses of the financing entered in connection with the Acquisition (Note 3).

All terms defined in this exhibit of the report are used solely for the purposes of this exhibit and do not apply to any other section of this report.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the six months ended June 28, 2025
(USD in Thousands)

	For the six months ended June 28, 2025	For the five months ended May 31, 2025					For the six months ended June 28, 2025
	Kontoor Brands, Inc. (Historical) - USD	Helly Hansen (Reclassified) - USD	Transaction Accounting Adjustments	Notes	Financing Adjustments	Notes	Pro Forma Combined for Acquisition and Financing Adjustments
Net revenues	\$ 1,281,160	\$ 229,123	\$ —		\$ —		\$ 1,510,283
Costs and operating expenses							
Cost of goods sold	680,687	113,529	(150)	3D	—		794,066
Selling, general and administrative expenses	448,637	119,705	(112)	3A	—		571,271
			1,523	3B			
			(28)	3C			
			1,546	3F			
Total costs and operating expenses	1,129,324	233,234	2,779		—		1,365,337
Operating income (loss)	151,836	(4,111)	(2,779)		—		144,946
Interest expense	(23,293)	(4,790)	1,546	3F	(16,035)	3H	(42,572)
Interest income	6,337	1,136	—		—		7,473
Other income, net	18,761	—	—		—		18,761
Income (loss) before income taxes	153,641	(7,765)	(1,233)		(16,035)		128,608
Income taxes	(37,154)	550	271	3G	3,528	3I	(32,805)
Income from equity method investment	264	1,769	—		—		2,033
Net income (loss)	\$ 116,751	\$ (5,446)	\$ (962)		\$ (12,507)		\$ 97,836
Earnings per common share							
Basic	\$ 2.11						\$ 1.76
Diluted	\$ 2.08						\$ 1.75
Weighted average shares outstanding							
Basic	55,458						55,458
Diluted	56,017						56,017

See accompanying notes to unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended December 28, 2024
(USD in Thousands)

	For the year ended December 28, 2024	For the year ended December 31, 2024					For the year ended December 28, 2024
	Kontoor Brands, Inc. (Historical) - USD	Helly Hansen (Reclassified) - USD	Transaction Accounting Adjustments	Notes	Financing Adjustments	Notes	Pro Forma Combined for Acquisition and Financing Adjustments
Net revenues	\$ 2,607,578	\$ 652,770	\$ —		\$ —		\$ 3,260,348
Costs and operating expenses							
Cost of goods sold	1,446,008	329,612	1,350	3D	—		1,776,970
Selling, general and administrative expenses	819,281	272,064	(75)	3A	—		1,098,944
			3,713	3B			
			(67)	3C			
			913	3E			
			3,115	3F			
Total costs and operating expenses	2,265,289	601,676	8,949		—		2,875,914
Operating income	342,289	51,094	(8,949)		—		384,434
Interest expense	(40,824)	(15,056)	3,115	3F	(38,301)	3H	(91,066)
Interest income	11,149	2,783	—		—		13,932
Other expense, net	(11,191)	—	—		—		(11,191)
Income before income taxes	301,423	38,821	(5,834)		(38,301)		296,109
Income taxes	(55,621)	(7,835)	1,284	3G	8,426	3I	(53,746)
Loss from equity method investment	—	(447)	—		—		(447)
Net income	\$ 245,802	\$ 30,539	\$ (4,550)		\$ (29,875)		\$ 241,916
Earnings per common share							
Basic	\$ 4.42						\$ 4.36
Diluted	\$ 4.36						\$ 4.30
Weighted average shares outstanding							
Basic	55,549						55,549
Diluted	56,321						56,321

See accompanying notes to unaudited pro forma condensed combined financial information.

Notes to Unaudited Pro Forma Condensed Combined Financial Information

Note 1. Description of the Acquisition and Basis of Presentation

The Acquisition

On February 18, 2025, Kontoor Brands, Inc. (the “Company” or “Kontoor”) entered into a definitive agreement to acquire all of the issued and outstanding share capital of CTC Triangle B.V., a Netherlands private limited liability company, which is the parent of a group of companies that operates the *Helly Hansen*® and *Musto*® brands. CTC Triangle B.V., its subsidiaries and the equity investment in the joint venture are collectively referred to as “Helly Hansen.”

The acquisition of Helly Hansen (the “Acquisition”) was completed on May 31, 2025 (the “Closing Date”), for \$1.3 billion CAD (approximately \$960 million U.S. dollars) in cash, subject to adjustments for finalization of working capital and other closing adjustments. The purchase price was primarily funded by indebtedness and cash on hand.

On April 8, 2025, the Company completed a refinancing pursuant to which it amended and restated its 2021 credit agreement to provide for (i) a five-year \$700.0 million term loan facility (“Term Loan A-1”) consisting of a \$340.0 million initial term loan (“Initial Term Loan”) and a \$360.0 million delayed draw term loan (“Delayed Draw Term Loan”), (ii) a three-year \$300.0 million delayed draw term loan facility (“Term Loan A-2”) and (iii) a five-year \$500.0 million revolving credit facility, collectively referred to as the “Credit Facilities.” Upon closing of the Credit Facilities, the net proceeds from the Initial Term Loan were used to repay all of the \$340.0 million principal amount outstanding under prior borrowings. On May 30, 2025, the Delayed Draw Term Loan and Term Loan A-2 were fully drawn and used to fund the Acquisition, along with approximately \$300 million of cash on hand.

The following table summarizes the consideration transferred to consummate the Acquisition:

(In thousands USD)

Cash consideration paid to seller	\$	957,470
Less: Working capital and other closing adjustments		(53,945)
Net purchase price	\$	903,525

The purchase price is subject to finalization of working capital and other closing adjustments, which is expected to result in reimbursement from the seller for changes in working capital and certain other costs, pursuant to terms of the agreements between the parties. At the time of preparation of this pro forma financial information, the working capital and other closing adjustments have not yet been finalized. We have included an estimate for those adjustments in the net purchase price. Further adjustments may be made to the net purchase price as additional information about the facts and circumstances that existed as of the Closing Date is obtained.

The following table summarizes the preliminary purchase price allocation of the estimated fair values of assets acquired and liabilities assumed at the Closing Date of the Acquisition:

		May 31, 2025
<i>(In thousands USD)</i>		
Cash and cash equivalents	\$	33,467
Accounts receivable		82,275
Inventories		172,212
Prepaid expenses and other current assets		13,902
Property, plant and equipment		35,615
Operating lease assets		96,640
Intangible assets		440,000
Deferred income tax assets		14,085
Other assets ⁽¹⁾		38,841
Total assets acquired		927,037
Accounts payable		53,763
Accrued and other current liabilities		70,137
Operating lease liabilities, current		15,463
Operating lease liabilities, noncurrent		81,527
Deferred income tax liabilities		79,443
Other liabilities		881
Total liabilities assumed	\$	301,214
Net assets acquired	\$	625,823
Goodwill		277,702
Purchase price	\$	903,525

⁽¹⁾ Includes fair value of equity investment in joint venture

Basis of Presentation

The unaudited pro forma condensed combined financial information and related notes are prepared in accordance with Article 11 of Regulation S-X, Pro Forma Financial Information.

The unaudited pro forma condensed combined financial information is prepared using the acquisition method of accounting in accordance with the business combination accounting guidance under ASC 805, *Business Combinations*, with Kontoor as the accounting acquirer for the Acquisition, as if it had occurred on December 31, 2023. The purchase price is allocated to the assets acquired, liabilities assumed and the equity investment in the joint venture, based on their estimated fair values as of the acquisition date. Any excess purchase price over the fair value of the net assets acquired is recorded as goodwill. These fair values were based on management's estimates and assumptions; however, the amounts are preliminary in nature and are subject to adjustment as additional information is obtained about the facts and circumstances that existed as of the Closing Date. The Acquisition occurred late in the second quarter of 2025, and the Company is still in the process of finalizing working capital adjustments and valuing the assets acquired and liabilities assumed. Accordingly, adjustments may be made to the values of the assets acquired and liabilities assumed as additional information is obtained related to the finalization of

working capital, income tax matters and other purchase price adjustments. The final determination of the purchase price allocation will be completed as soon as practicable, and within the measurement period of up to one year from the Closing Date.

The unaudited pro forma condensed combined financial information has been derived from the financial statements of the Company and Helly Hansen after giving pro forma effect to the Acquisition. Kontoor's historical financial statements were prepared in accordance with U.S. GAAP and presented in U.S. Dollar ("USD") reporting currency. Helly Hansen's historical financial statements are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and utilize Norwegian Kroner ("NOK") as the reporting currency. As such, for the purpose of the unaudited pro forma condensed combined financial information, the historical financial information of Helly Hansen has been (i) translated from NOK to USD, (ii) converted from IFRS to U.S. GAAP and (iii) conformed to Kontoor's accounting policies. Adjustments to convert from IFRS to U.S. GAAP are identified as such and are included in Transaction Accounting Adjustments. The conversion from IFRS to U.S. GAAP and accounting policy conformation was based on preliminary information available to Kontoor at the time of preparation of this pro forma financial information and certain assumptions that the Company believes are reasonable under the circumstances.

The unaudited pro forma condensed combined financial information does not reflect any anticipated synergies or dis-synergies, operating efficiencies, or cost savings that may result from the integration costs that may be incurred. The unaudited pro forma condensed combined financial information is provided for informational purposes only and may not be indicative of the operating results that would have occurred if the Acquisition had been completed as of the dates set forth above, nor is it indicative of the future results of the Company following the Acquisition.

For purposes of preparing the pro forma financial information, the historical financial information of Helly Hansen and related pro forma adjustments were translated from NOK to USD using the following historical exchange rates:

	USD/NOK
Average exchange rate for the five months ended May 31, 2025	0.09211
Average exchange rate for the year ended December 28, 2024	0.09300

These exchange rates may differ from future exchange rates, which would have an impact on the pro forma financial information and would also impact purchase accounting.

Note 2. Reclassification Adjustments

During the preparation of this unaudited pro forma condensed combined financial information, management performed a preliminary review of Helly Hansen financial information to identify differences in accounting policies compared to those of the Company and differences in financial statement presentation compared to the presentation of the Company. At the time of preparing the unaudited pro forma condensed combined financial information, other than the reclassifications described herein, the Company is not aware of any other significant differences. A more comprehensive comparison and assessment of Helly Hansen accounting policies will occur, which may result in additional differences identified.

The following tables present Helly Hansen's unaudited reclassified condensed combined statement of operations for the five months ended May 31, 2025, and the year ended December 28, 2024:

Helly Hansen's Unaudited Reclassified Condensed Combined Consolidated Statement of Operations
For the five months ended May 31, 2025
(in thousands)

Historical Presentation Kontoor Brands, Inc.	Historical Presentation Helly Hansen	Historical - NOK	Reclassification Adjustments	Notes	Helly Hansen (Reclassified) - NOK	Helly Hansen (Reclassified) - USD
Net revenues	Revenue from contracts with customers	2,457,693	29,827	(2a)	2,487,520	\$ 229,123
	Other income	29,827	(29,827)	(2a)	—	—
Costs and operating expenses						
Cost of goods sold	Cost of goods sold	1,232,552	—		1,232,552	113,529
Selling, general and administrative expenses		—	456,928	(2b)	1,299,600	119,705
			731,273	(2c)		
			111,399	(2d)		
	Employee benefit expenses	456,928	(456,928)	(2b)	—	—
	Other operating expenses	731,273	(731,273)	(2c)	—	—
	Depreciation and amortization	111,399	(111,399)	(2d)	—	—
Total costs and operating expenses		2,532,152	—		2,532,152	233,234
Operating loss		(44,632)	—		(44,632)	(4,111)
Interest expense	Finance expense	(52,009)	—		(52,009)	(4,790)
Interest income	Finance income	12,328	—		12,328	1,136
Other income, net		—	—		—	—
	Share of results from joint venture	19,202	(19,202)	(2e)	—	—
Loss before income taxes		(65,111)	(19,202)		(84,313)	(7,765)
Income taxes	Income taxes	5,966	—		5,966	550
Income from equity method investment		—	19,202	(2e)	19,202	1,769
Net loss		(59,145)	—		(59,145)	\$ (5,446)

(2a) Reclassification from "other income" to "net revenues."

(2b) Reclassification of "employee benefit expenses" to "selling, general and administrative expenses."

(2c) Reclassification of "other operating expenses" to "selling, general and administrative expenses."

(2d) Reclassification of "depreciation and amortization" to "selling, general and administrative expenses."

(2e) Reclassification of "share of results from joint venture" to "income from equity method investment."

Helly Hansen's Unaudited Reclassified Combined Consolidated Statement of Operations
For the year ended December 28, 2024

(in thousands)

Historical Presentation Kontoor Brands, Inc.	Historical Presentation Helly Hansen	Historical - NOK	Reclassification Adjustments	Notes	Helly Hansen (Reclassified) - NOK	Helly Hansen (Reclassified) - USD
Net revenues	Revenue from contracts with customers	6,929,797	89,297	(2f)	7,019,094	\$ 652,770
	Other income	89,297	(89,297)	(2f)	—	—
Costs and operating expenses						
Cost of goods sold	Cost of goods sold	3,544,244	—		3,544,244	329,612
Selling, general and administrative expenses		—	1,040,295	(2g)	2,925,441	272,064
			1,632,705	(2h)		
			252,441	(2i)		
	Employee benefit expenses	1,040,295	(1,040,295)	(2g)	—	—
	Other operating expenses	1,632,705	(1,632,705)	(2h)	—	—
	Depreciation and amortization	252,441	(252,441)	(2i)	—	—
Total costs and operating expenses		6,469,685	—		6,469,685	601,676
Operating income		549,409	—		549,409	51,094
Interest expense	Finance expense	(161,896)	—		(161,896)	(15,056)
Interest income	Finance income	29,930	—		29,930	2,783
Other expense, net		—	—		—	—
	Share of results from joint venture	(4,811)	4,811	(2j)	—	—
Income before income taxes		412,632	4,811		417,443	38,821
Income taxes	Income tax expense	(84,253)	—		(84,253)	(7,835)
Loss from equity method investment		—	(4,811)	(2j)	(4,811)	(447)
Net income		328,379	—		328,379	\$ 30,539

(2f) Reclassification from "other income" to "net revenues."

(2g) Reclassification of "employee benefit expenses" to "selling, general and administrative expenses."

(2h) Reclassification of "other operating expenses" to "selling, general and administrative expenses."

(2i) Reclassification of "depreciation and amortization" to "selling, general and administrative expenses."

(2j) Reclassification of "share of results from joint venture" to "loss from equity method investment."

Note 3. Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations

The adjustments included in the Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 28, 2025, and year ended December 28, 2024, are as follows:

Transaction Accounting Adjustments

- (3A) Reflects adjustment to depreciation expense for Property and equipment, which is calculated on a straight line-basis based on the preliminary fair value and the related useful lives.

<i>(In thousands USD)</i>	Useful Life	Preliminary Fair Value	Depreciation expense for the year ended December 28, 2024	Depreciation expense for the six months ended June 28, 2025
Machinery & equipment	7	\$ 23,497	\$ 3,357	\$ 1,678
Leasehold improvements	4	10,118	2,529	1,265
Construction in progress	N/A	2,000	—	—
Total property and equipment acquired		\$ 35,615	\$ 5,886	\$ 2,943
Less: Historical depreciation expense			5,961	2,595
Less: Reversal of depreciation recognized in the post-acquisition period already included in earnings			—	460
Pro forma adjustment for depreciation expense			\$ (75)	\$ (112)

- (3B) Reflects adjustment to amortization expense for Customer relationships, which are amortized on a 125% declining amortization basis based on the preliminary fair value and the related useful lives.

<i>(In thousands USD)</i>	Useful Life	Preliminary Fair Value	Amortization expense for the year ended December 28, 2024	Amortization expense for the six months ended June 28, 2025
Trade name and trademarks	N/A	\$ 404,000	\$ —	\$ —
Customer relationships	12	36,000	3,713	1,826
Total identifiable intangible assets		\$ 440,000	\$ 3,713	\$ 1,826
Less: Reversal of amortization recognized in the post-acquisition period already included in earnings			—	303
Pro forma adjustment for amortization expense			\$ 3,713	\$ 1,523

The annual estimated amortization expense for Customer relationships for future fiscal years is as follows:

(In thousands USD)

Six months ended January 3, 2026	\$	1,804
Fiscal 2026		3,540
Fiscal 2027		3,443
Fiscal 2028		3,336
Fiscal 2029		3,219
Fiscal 2030		3,087
Thereafter		12,032
Total amortization	\$	30,461

(3C) Represents an adjustment of \$(0.03) million and \$(0.07) million to record amortization expense for a net unfavorable lease liability recognized in purchase accounting, due to net unfavorable contractual lease terms when compared to market, for the six months ended June 28, 2025, and year ended December 28, 2024, respectively.

(3D) To record the increase in the cost of goods sold for the year ended December 28, 2024 by the amount related to the inventory fair value step up, for inventory expected to be sold within one year, and to remove one month of the impact of the inventory fair value step up from the post-acquisition period that has been recognized by Kontoor within the historical statement of operations for the six months ended June 28, 2025.

(3E) Represents \$0.9 million of estimated expense for retention bonuses provided to certain employees of Helly Hansen that will accrue over the 7 month stay period after the closing of the Acquisition.

(3F) IFRS to U.S. GAAP adjustments:

Lease accounting: Under IFRS, lessees account for all leases as finance leases. Under U.S. GAAP, Helly Hansen's leases would be classified as operating leases with lease expense recognized on a straight-line basis as part of Selling, general and administrative (SG&A) expense. Helly Hansen's legacy interest expense for lease liabilities classified as finance expense was removed in amounts totaling \$3.1 million and \$1.5 million and reclassified as lease expense within SG&A expense for the year ended December 28, 2024, and the six months ended June 28, 2025, respectively. There was not a material difference between the total lease costs already recognized in the historical statements of operations of Helly Hansen under IFRS and the amount to be recognized under U.S. GAAP.

(3G) Reflects estimated income tax impact related to the Transaction Accounting Adjustments. Tax-related adjustments are based upon an estimated Norwegian statutory tax rate of 22% for the year ended December 28, 2024, and the six months ended June 28, 2025. The estimated blended statutory tax rate used for the unaudited pro forma condensed combined financial information will likely vary from the actual effective tax rates in periods as of and subsequent to the completion of the Acquisition.

Financing Adjustments

(3H) The following adjustments are included in the Financing Adjustments column in the accompanying Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 28, 2025, and the year ended December 28, 2024, as if the financing had occurred on December 31, 2023, which is the beginning of the fiscal year ended December 28, 2024.

For purposes of preparing the unaudited pro forma condensed combined financial information, the assumed interest rates on the Delayed Draw Term Loan and Term Loan A-2 were 5.31% and 5.94%, respectively. Interest expense on the Delayed Draw Term Loan includes the impact of the Company's interest swap agreements. The Company periodically enters into "floating to fixed" interest rate swap agreements to mitigate exposure to volatility in reference rates on the Company's future interest payments on indebtedness.

The below adjustments reflect the additional interest expense related to the \$660.0 million proceeds drawn against the Delayed Draw Term Loan and Term Loan A-2, as well as the related financing costs, to affect the financing of the Acquisition in the Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 28, 2025, and the year ended December 28, 2024:

(In thousands USD)		For the year ended December 28, 2024	For the six months ended June 28, 2025
Interest expense related to the financing transaction		\$ 37,380	\$ 18,690
Amortization of deferred financing costs		921	460
Less: Interest expense recognized in the post-acquisition period already included in earnings		—	3,115
Pro forma adjustment		\$ 38,301	\$ 16,035

A sensitivity analysis on interest expense for the Delayed Draw Term Loan and Term Loan A-2 has been performed to assess the effect of a hypothetical change of 12.5 basis points on the interest rate. The interest rate on the Term Loan A-1 is based on one-month Secured Overnight Financing Rate ("SOFR") plus 1.65%, while the interest rate on Term Loan A-2 is based on one-month SOFR plus 1.5%. The following table shows the impact of the hypothetical change in interest expense for the borrowings:

(In thousands USD)		For the year ended December 28, 2024	For the six months ended June 28, 2025
Increase of 0.125%		\$ 824	\$ 412
Decrease of 0.125%		\$ (824)	\$ (412)

(3I) Reflects estimated income tax impact related to the Financing Adjustments. Tax-related adjustments are based upon an estimated Norwegian statutory tax rate of 22% for the year ended December 28, 2024, and the six months ended June 28, 2025. The estimated blended statutory tax rate used for the unaudited pro forma condensed combined financial information will likely vary from the actual effective tax rates in periods as of and subsequent to the completion of the Acquisition.

Note 4. Earnings Per Share

The following tables set forth the computation of pro forma basic and diluted earnings per share for the six months ended June 28, 2025, and the year ended December 28, 2024:

<i>(In thousands USD, except per share data)</i>		For the year ended December 28, 2024	For the six months ended June 28, 2025
Numerator:			
Pro forma net income attributable to common shares		\$ 241,916	\$ 97,836
Denominator:			
Weighted average common shares outstanding:			
Basic		55,549	55,458
Diluted		56,321	56,017
Pro forma earnings per share:			
Basic		\$ 4.36	\$ 1.76
Diluted		\$ 4.30	\$ 1.75