

HIGHLIGHTS

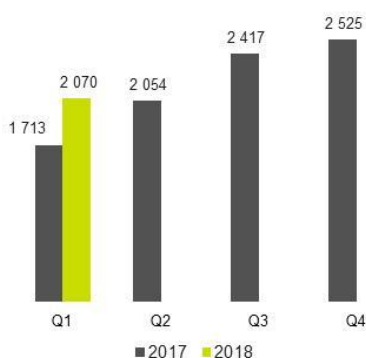
- Total revenues of NOK 2 070 million (NOK 1 713 million), up 21 per cent
- E-commerce growth of 42 per cent
- EBITDA of NOK 51 million (NOK 34 million)
- Solid cash flow from improved inventory development
- Continued market share increase



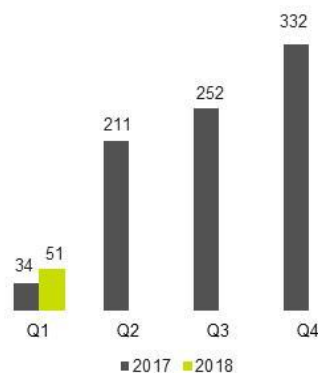
Q1 Growth

Revenue + 21%
EBITDA + 50%

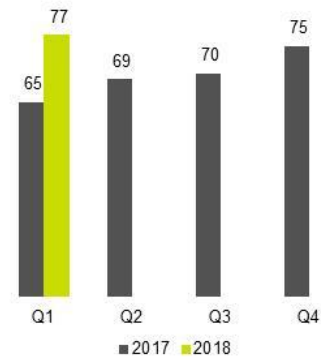
OPERATING REVENUES



EBITDA



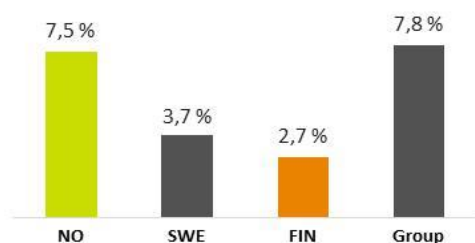
NUMBER OF STORES



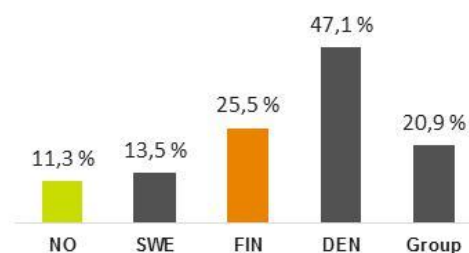
KEY FIGURES GROUP

(Amounts in NOK million)	Q1 2018	Q1 2017	FY 2017 Audited
GROUP			
Operating revenue	2 070	1 713	8 709
Growth (%)	20,9 %	1,7 %	11,5 %
Gross profit ⁴	784	625	3 443
Gross margin (%)	37,9 %	36,5 %	39,5 %
OPEX % ⁷	35,4 %	34,5 %	30,0 %
EBITDA ²	51	34	828
EBITDA margin (%)	2,5 %	2,0 %	9,5 %
EBIT ¹	6	-1	668
EBIT margin	0,3 %	0,0 %	7,7 %
Net Income	-9	-8	512
**Basic Earnings per share (NOK)	-0,07	-0,05	3,70
**Average number of shares (1 000 shares)	138 618	138 512	138 328
Cash provided by operating activities	35	-153	490
Like for like revenue growth ³	7,8 %	-10,0 %	0,5 %
Number of stores at period end	77	65	75
New stores in the period	2	1	11

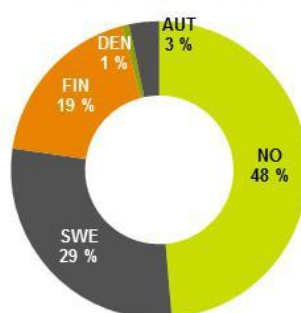
GROWTH BY COUNTRY Q1, LIKE FOR LIKE (LOCAL CURRENCY)



GROWTH BY COUNTRY Q1 (LOCAL CURRENCY)



REVENUE SPLIT Q1



**Earnings per share: See Note 5.

Footnotes and definitions are described in the end of the report

KEY FIGURES SEGMENTS

(Amounts in NOK million)	Q1 2018	Q1 2017	FY 2017 Audited
SEGMENT			
Norway			
Operating revenue	1 007	905	4 434
Growth (%)	11,3 %	2,6 %	6,8 %
Gross profit ⁴	408	353	1 868
Gross margin (%)	40,5 %	39,0 %	42,1 %
OPEX % ⁷	25,4 %	25,1 %	21,8 %
EBITDA ²	153	125	902
EBITDA margin (%)	15,2 %	13,8 %	20,3 %
Number of stores at period end	33	31	32
New stores in the period	1	-	1
Sweden			
Operating revenue	593	511	2 631
Growth (%)	16,1 %	-9,1 %	6,4 %
Gross profit ⁴	219	178	1 003
Gross margin (%)	36,9 %	34,8 %	38,1 %
OPEX % ⁷	35,4 %	33,7 %	29,8 %
EBITDA ²	9	6	219
EBITDA margin (%)	1,5 %	1,1 %	8,3 %
Number of stores at period end	26	22	26
New stores in the period	-	-	4
Finland			
Operating revenue	386	287	1 494
Growth (%)	34,6 %	19,8 %	28,7 %
Gross profit ⁴	135	94	532
Gross margin (%)	35,1 %	32,6 %	35,6 %
OPEX % ⁷	32,8 %	32,5 %	28,3 %
EBITDA ²	9	0	110
EBITDA margin (%)	2,3 %	0,1 %	7,3 %
Number of stores at period end	15	12	15
New stores in the period	-	1	4
Denmark			
Operating revenue	15	10	52
Growth (%)	57,5 %	-	87,8 %
Gross profit ⁴	2	1	10
Gross margin (%)	15,8 %	14,2 %	19,4 %
OPEX % ⁷	37,6 %	41,2 %	36,0 %
EBITDA ²	-3	-3	-9
EBITDA margin (%)	-21,8 %	-27,0 %	-16,6 %
Austria			
Operating revenue	68	-	98
Gross profit ⁴	20	-	31
Gross margin (%)	28,8 %	-	31,2 %
OPEX % ⁷	55,3 %	-	64,8 %
EBITDA ²	-18	-	-33
EBITDA margin (%)	-26,5 %	-	-33,7 %
Number of stores at period end	3	-	2
New stores in the period	1	-	2
HQ & logistics			
EBITDA ²	-98	-94	-361
EBITDA margin (% of Group revenues)	-4,7 %	-5,5 %	-4,1 %

Good winter hampered by late spring season

Oslo, 24 April 2018: In the first quarter 2018 XXL ASA delivered a growth of 21 per cent driven by a good and long winter season and is gaining market shares. Gross margins improved from 36.5 per cent in Q1 2017 to 37.9 per cent in Q1 2018 despite establishing operations in Austria with lower gross margins. EBITDA was negatively impacted by a weak March with no spring conditions, costs in Austria, higher marketing costs in Sweden and costs related to new store openings. E-commerce continues to deliver solid growth with 42 per cent and an improved inventory situation drives stronger cash flow generation. XXL maintains the long term outlook.

First quarter performance

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

XXL Group delivered a growth of 20.9 per cent in the first quarter 2018 and total operating revenues ended at NOK 2 070 million (NOK 1 713 million). The winter season in 2017/2018 proved to be good and long in many regions in the Nordics with snow and cold from late November 2017 until Easter in late March 2018. January is the single most important month and proved to be good in Norway, while most parts of Sweden and Finland lacked snow. February came with good winter conditions in most of the regions where the Group operates, while March was yet another harsh winter month in the Nordic markets. This had a significant negative impact on the sale of spring products in all regions in the last month of the quarter. The like-for-like growth of the Group amounted to 7.8 per cent in the quarter with good growth in all markets and positively impacted by currency effects. Norway delivered a like-for-like growth of 7.5 per cent, Sweden 3.7 per cent and Finland 2.7 per cent all in local currencies.

the quarter, while Sweden achieved 13.5 per cent, Finland 25.5 per cent and Denmark 47.1 per cent growth, all in local currencies. The Austrian operations contributed to total revenues of NOK 68 million for the quarter.

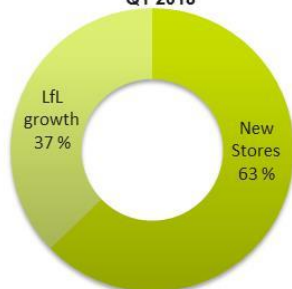
GROWTH DRIVERS
Q1 2017 - Q1 2018
(Amounts in MNOK)



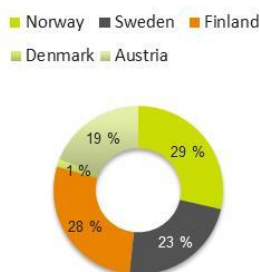
E-commerce for the Group is included in the like-for-like figure and continued to deliver strong growth. E-commerce sales comprised 14.4 per cent of total Group operating revenues in Q1 2018 compared to 12.3 per cent in Q1 2017. Operating revenues increased by 41.6 per cent to NOK 298 million (NOK 211 million) with solid growth in all markets. E-commerce will continue to be the most important driver for like-for-like growth going forward. XXL is continually renewing and strengthening its E-commerce offering and the organization has in the quarter specifically worked on personalization content on the site, features for customer data collection also in stores and to improve picture quality through investing in new photo studios at the two central warehouses. The omni-channel thinking is not only important for increasing E-commerce sales but also for generating traffic to the stores. All stores are now Wifi and beacon ready. XXL has launched a new omni-channel stock solution making all stock in the Group available for all customers at all platforms at all times. This will further optimize the value chain over time. In a way to increase traffic to the stores, XXL has tested out free gift cards for customers using pick-up at store services, resulting in significantly increased pick-up rates. Further initiatives are to be launched in the near future.

Gross margin for the Group ended at 37.9 per cent in the quarter compared to 36.5 per cent in the same quarter last

SHARE OF GROWTH BY MATURITY
Q1 2018



SHARE OF GROWTH BY GEOGRAPHY
Q1 2018



The revenue growth of the Group was further driven by effects from new stores. XXL opened eleven new stores during 2017 with full effect this quarter. In addition XXL established two new stores during the quarter, Arendal in Norway on 15 March 2018 and Linz in Austria on 20 March 2018.

Overall Norway delivered 11.3 per cent revenue growth in

year driven by higher gross margins in all markets but partly offset by the start-up in Austria with lower gross margins. This is also achieved despite an increasing part of the overall sales volumes in the Group are derived from the E-commerce platform at lower gross margins.

Operating expenses before depreciation as percentage of sales increased from 34.5 per cent in the first quarter 2017 to 35.4 per cent in the first quarter 2018. This is driven by costs of establishing operations in Austria. Total operating expenses in Austria amounted to NOK 38 million in the quarter and the Group operating expenses excluding Austria as percentage of sales improved to 34.7 per cent. However all countries except for Denmark had higher operating expenses than in the same quarter last year. For Norway the increased costs are related to the establishment of two new stores whereof one store opened late in the quarter and the second one opened early April 2018. Both of them carried costs for most of the quarter. For Sweden the increased costs in the quarter were driven by the heavy marketing campaigns related to introduction of digital price tags in all stores and is expected to have a longer term effect through strengthening the price position of XXL in the Swedish market. In Finland the lower like-for-like growth contributed to less scale in the stores.

The Group EBITDA in the first quarter 2018 was NOK 51 million (NOK 34 million), which equaled an EBITDA-margin of 2.5 per cent compared to 2.0 per cent in the same quarter last year. Adjusted for the start-up in Austria, the EBITDA-margin was 3.5 per cent and the EBITDA amounted to NOK 69 million. The driver behind the improved EBITDA was Norway which improved its EBITDA-margin from 13.8 per cent in Q1 2017 to 15.2 per cent in Q1 2018.

Operating segments

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

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

Norway

Overall the Norwegian market experienced a long and good winter season with snow and cold from the middle of Q4 2017 in most regions. January and February 2018 proved to be good selling months with solid demand for winter related sports equipment. The continued winter conditions through the end of the quarter impacted significantly the planned sale of spring related products in March.

The Norwegian operations delivered a growth of 11.3 per cent in the first quarter 2018 compared to the same quarter last year. Total operating revenues ended at NOK 1 007 million (NOK 905 million). The like-for-like growth was 7.5 per cent in the quarter. In addition, the growth was driven by new stores including the opening of a store in Arendal on 15

March 2018. Due to improved winter conditions and with less degree of clearance activities than at the same time last year, XXL was able to improve the gross margin from 39.0 per cent in Q1 2017 to 40.5 per cent in Q1 2018.

EBITDA increased to NOK 153 million (NOK 125 million) and the corresponding margin improved to 15.2 per cent (13.8 per cent). The increase in EBITDA margin is due to the higher gross margin as described above. Operating expenses as percentage of sales increased from 25.1 per cent last year to 25.4 per cent this year. This was related to the establishment of two new stores whereof one store opened late in the quarter and the second opened early April 2018. Both stores carried costs for most of the quarter.

Sweden

The Swedish sporting goods market continued to be volatile and the volumes in the quarter were impacted by overall good winter conditions with cold but with a later arrival of snow in many regions. March was cold with no signs of the upcoming spring season. According to market figures from HUI Research the sale of sporting goods in Sweden increased by 7.0 per cent in January 2018 and by 8.7 per cent in February 2018. The corresponding growth for XXL was 15.1 and 27.8 per cent. Total operating revenues for XXL in Sweden in the quarter increased by 13.5 per cent in local currency to NOK 593 million (NOK 511 million). The main drivers were a like-for-like growth of 3.7 per cent in local currency in the quarter and contributions from stores established during 2017.

This year XXL experienced colder temperatures and better selling conditions which resulted in higher gross margins. In addition, better pricing strategies improved the gross margin in the quarter to 36.9 per cent (34.8 per cent).

In December 2017 XXL introduced digital price tags in all stores in Sweden as a way to improve the price position of XXL in the Swedish market over time. In the first quarter 2018 XXL continued with heavy marketing campaigns related to this and which are expected to have a longer term effect in building the brand recognition of XXL in Sweden. As a result the marketing costs in the quarter increased significantly. Operating expenses as percentage of sales increased to 35.4 per cent in Q1 2018 (33.7 per cent). EBITDA ended at NOK 9 million (NOK 6 million). This corresponded to an EBITDA-margin of 1.5 per cent, up from 1.1 per cent in Q1 2017.

Finland

The Finnish operation continues to improve. For the quarter, sales were positively affected by a good winter and negatively impacted by no start of spring in March. According to market figures from TMA the sale of sporting goods in Finland increased by 2.8 per cent in Q1 2018. This is to be compared to a growth of XXL of 25.5 per cent in local currency. The Finnish sporting goods market is still in decline when excluding XXL. The positive like-for-like growth of 2.9 per cent in local currency in the quarter also surpassed the market growth. XXL gained market shares. Total operating revenues amounted to NOK 386 million

(NOK 287 million). The growth was driven by like-for-like growth and by new stores that opened during 2017. XXL is now present with fifteen stores in the Finnish market and in all the major cities.

Gross margin improved from 32.6 per cent in the first quarter last year to 35.1 per cent in the first quarter this year due to an improved winter season and that XXL had less clearance activities. This impacted however negatively the like-for-like growth, leading to lower scale in the stores. Operating expenses as percentage of sales therefore increased from 32.5 per cent in the first quarter last year to 32.8 per cent in the first quarter this year.

EBITDA amounted to NOK 9 million in Q1 2018 up from NOK 0.2 million in Q1 2017. This translated into a corresponding EBITDA-margin of 2.3 per cent in the quarter (0.1 per cent). The improvement in gross margin as described above is the driver behind the positive development

Denmark

XXL's operation in Denmark continues to capture more volumes in the market. Total operating revenues in the first quarter 2018 amounted to NOK 15 million, equaling a growth rate of 47.1 per cent in local currency. XXL decided a more aggressive strategy to gain a higher share of the market. This proved successful on volumes but affected both gross margins and marketing costs negatively. However, the gross margin improved from 14.2 per cent in Q1 2017 to 15.8 per cent in Q1 2018. The EBITDA was negative of NOK 3 million in the quarter driven by the low gross margin and relatively higher marketing cost.

Austria

Total operating revenues from the Austrian operations amounted to NOK 68 million in the first quarter. E-commerce continued to be a large part of the revenues and represented around 20 per cent of sales in the quarter. This is above expectations and underlines the value of a true omni-channel model. Overall selling conditions in the market have been good and sales responded well under these conditions but were impacted negatively by a late cold period that postponed the spring start all over Central Europe. On 20 March 2018 XXL successfully opened its third store in Austria, in Plus City shopping center in the city of Linz. This is a new city for XXL which limited any immediate synergies in marketing costs.

The launch in Austria is still colored by opening campaigns and the gross margin was 28.8 per cent in the quarter. Operating expenses amounted to NOK 38 million and included high marketing spending reflecting ramp up in the two large cities. XXL has also built a centralized organization for buying and support in Austria with corresponding costs. EBITDA was negative of NOK 18 million in the first quarter 2018. XXL has high ambitions in Austria and are delivering according to plan.

HQ and Logistics

The HQ and Logistics segment consists of costs related to

the Group's headquarter and logistics operations, as well as costs related to the centralized E-commerce management and all financial income and financial expenses.

Operating expenses were NOK 98 million (NOK 94 million) in Q1 2018. This equals 4.7 per cent of total Group operating revenue and compared to 5.5 per cent in the first quarter last year. The improvement is driven by better flow of goods and handling at the central warehouses. The increase in absolute costs are related to higher volumes and that XXL has recruited more employees to central functions both at the headquarters and in the central E-commerce management, including purchasers, technical system architects and IT-resources. XXL continues to invest in the future omni-channel model.

Financials

Consolidated income statement

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

Total operating revenue increased by 20.9 per cent to NOK 2 070 million (NOK 1 713 million).

Total operating expenses, excluding depreciation and cost of goods sold, equaled NOK 733 million (NOK 591 million) in the first quarter. As percentage of total operating revenues of the Group, operating expenses increased from 34.5 per cent in the first quarter last year to 35.4 per cent in the first quarter this year.

Net financial expense amounted to NOK 17 million for the first quarter (NOK 9 million). Net interest expenses equaled NOK 10 million in the quarter. The financial expenses include a negative currency effect of NOK 4 million compared to a positive currency effect of NOK 3 million in the same quarter last year. Other financial expenses were related to amortization of loan costs, interests on lease contracts and other financial costs.

Income tax expense for the first quarter was positive of NOK 2 million (NOK 2 million) and the effective tax rate was 20.0 per cent.

Profit for the period ended at a loss of NOK 9 million (loss of NOK 8 million).

Consolidated cash flow

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

Cash provided by operating activities was NOK 35 million (cash used of NOK 153 million) in the first quarter. The main reason for the positive deviation is improved working capital⁵.

The inventory increased from NOK 2 704 million at the end of Q1 2017 to 3 059 million at the end of Q1 2018 mainly due to growth. Inventory per store⁶ (including E-commerce) has improved from NOK 39.2 million in Q1 2017 to NOK 37.3 million by the end of Q1 2018. There are several initiatives to reduce the inventory, where some of them already have been succeeded. XXL aims to be close to the target of mid NOK 30's million per store (including E-commerce) by the end of 1H 2018. The inventory continues to be healthy.

Accounts payable decreased by NOK 146 million (adjusted from currency effects) from year end 2017 (NOK 24 million). The most important reason is the reduction in inventory level and inventory and timing differences from Q4 2017.

Cash used by investing activities was NOK 53 million (NOK 59 million) in Q1 2018. This is related to investments in new stores, maintenance CAPEX on existing stores and investments in infrastructure.

Cash used by financing activities amounted to NOK 159 million (NOK 140 million of provided cash) in the first quarter of which NOK 194 million is related to down payment on existing credit facilities. On 20 February 2018 XXL commenced a share capital increase related to vesting of stock options for employees. Total proceeds to XXL from this equity transaction amounted to NOK 41 million.

Financial position and liquidity

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

As of 31 March 2018, total assets amounted to NOK 7 309 million (NOK 6 658 million). Total equity was NOK 3 876 million (NOK 3 604 million), resulting in an equity ratio of 53.0 per cent (54.1 per cent). Net interest bearing debt increased to NOK 1 728 million (NOK 1 718 million).

The Group had cash and cash equivalents of NOK 137 million (NOK 46 million) as of 31 March 2018. The Group's liquidity reserves include total credit facilities of NOK 1 400 million whereof NOK 797 million was used as of 31 March 2018. Available liquidity reserves as of 31 March 2018 were NOK 740 million (NOK 753 million).

Changes in the Management team

Buying Director Mr. Lars Rugaas, CFO Mr. Krister Pedersen and E-commerce Director Mr. Tommi Jylhä-Vuorio will leave XXL during 2018.

XXL has established a new operational management team consisting of the following members and primary insiders in XXL ASA

- CEO Mr. Fredrik Steenbuch
- COO Mr. Ulf Bjerknæs
- Marketing and Buying Director Mr. Jarle Bråten
- IT and Omni-channel Director Mr. Espen Terland
- Strategy and Investor Relations Director Mr. Tolle Grøterud
- Retail Director Mr. Anders Kjellén
- E-commerce Director Mrs. Karoline Gjerde
- Wholesale and Supply Chain Director Mr. Harald Borgen
- CFO – to be disclosed soon

Mrs. Karoline Gjerde has been the E-commerce Manager in Norway since 2015, showing strong results and solid leadership capabilities. Prior to joining XXL she served three years as E-commerce Manager in Ferner Jacobsen, establishing the E-commerce platform for this leading high-end fashion retailer in Norway. Gjerde holds a MSc in Business and Economics from BI, Norwegian Business School. Karoline Gjerde is a Norwegian citizen and resides in Norway. She currently owns 4,677 restricted share units in XXL ASA.

Long term incentive programs and new share issue

On 20 February 2018 employees in XXL ASA exercised 583,954 share options from 2015. Following the share option exercise, the Board of Directors, pursuant to authorization granted by the Annual General Meeting on 7 June 2017, decided to increase the share capital by NOK 233,581.60 by issuing 583,954 new shares of par value NOK 0.40. The share capital increase pertaining to the issuance of the new shares has been registered with the Norwegian Register of Business Enterprises. The new registered share capital in XXL ASA is NOK 55,638,430.80 divided into 139,096,077 shares each with a nominal value of NOK 0.40 and giving one vote at the Company's General Meetings.

In accordance with the resolution made by the Annual General Meeting in XXL ASA on 7 June 2017, a share option program for the management team and key employees was implemented on 20 February 2018. The strike price was NOK 90.19, equal to the volume weighted average price in the market from 14 February 2018 to 20 February 2018. In total 1 268 656 options were granted. The options are exercisable after three years, subject to a key performance criteria (EBITDA-target according to business plan) being met and subject to the holder at the time of exercise is employed in XXL. The value of the share option program is NOK 22.4 million and the costs related to this will be booked over the duration period of three years with effect from 20 February 2018.

On 20 February 2018 employees in XXL ASA exercised 86,310 share units from 2015. Following this the Board of Directors, pursuant to authorization granted by the Annual General Meeting on 7 June 2017, decided to transfer 86,310 of its own shares to the employees. Subsequently XXL ASA holds 231,690 own shares after this.

In accordance with the resolution made by the Annual General Meeting in XXL ASA on 7 June 20167, a program of restricted share units for around 50 employees was implemented on 20 February 2018. The allocation price was NOK 90.19, equal to the volume weighted average price in the market from 14 February 2018 to 20 February 2018. In total 78,000 shares were allocated to employees. The shares are exercisable after three years subject to the holder at the time of exercise is employed in the company. The value of the restricted share units program is NOK 7.0 million and the costs related to this will be booked over the duration period of three years with effect from 20 February 2018.

Outlook

XXL has signed 6 new lease agreements for store openings in 2018 where of 4 in Norway, 1 in Sweden and 1 in Austria.

This figure includes the 2 stores that were established in Q1 2018. The aim for 2018 is 7-9 new stores in total. XXL will at all times evaluate the trend of E-commerce growth compared to opening of new stores. The required market size for approving a new store opening will be increased.

To continue the growth strategy, within both stores and E-commerce, in new markets as well as in existing markets, XXL will invest in infrastructure, IT and training facilities. These investments are expected to be in the range of NOK 70-90 million for 2018. In addition, XXL will refurbish at least 2 stores with CAPEX in the range of a new store.

The Group maintains the following long term objectives (on full year basis):

- Like-for-like growth of mid-single digits over time including E-commerce
- Gross margins to be stable. In Norway at low 40's, high 30's in Sweden and between mid and high 30's in Finland.
- EBITDA-margin stable as a result of stable gross margins and operating expenses. In Norway at low 20's, in Sweden low double digits and in Finland high single digits.
- New market entries affect both Group gross margin and Group EBITDA margin in the establishing period of 1-3 years

The Austria average sale per store is expected to be around EUR 12 million, while the gross margin and EBITDA-profile will be as in Sweden over time when excluding for the build-up of a centralized organization for buying and support. Hence, the start-up in Austria will have higher costs than the launch in Sweden, Finland and Denmark. CAPEX per store will be in the range of EUR 1.7-1.9 million and the average pay-back per store is estimated to 4-5 years including net working capital. The average pay-back time is after being some time in the market, following an establishing period. XXL expects around 15 stores in total in the Austrian market.

Oslo, 24 April 2018
Board of Directors, XXL ASA

Condensed consolidated financial statements

Unaudited for the period ended March 31, 2018

Condensed Consolidated Interim Income Statement

<i>(Amounts in NOK million)</i>	Q1 2018	Q1 2017	FY 2017 Audited
Total Operating Revenue	2 070	1 713	8 709
Cost of goods sold	1 286	1 088	5 265
Personnel expenses	395	324	1 416
Depreciation	45	35	159
Other operating expenses	338	268	1 201
Total Operating Expenses	2 065	1 714	8 041
Operating Income	6	-1	668
Net Financial Income (+) / Expense (-)	-17	-9	-42
Profit before income tax	-12	-10	626
Income tax expense	-2	-2	114
Profit for the period	-9	-8	512
Basic Earnings per share (NOK)	-0,07	-0,05	3,70
Diluted Earnings per share (NOK)	-0,07	-0,05	3,65
Other comprehensive income			
<u>Items that may be subsequently reclassified to profit or loss</u>			
Foreign currency rate changes	-1	1	4
Total Other Income and Expense	-1	1	4
Total comprehensive income for the period	-10	-7	516

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

Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	31.3.18	31.3.17	31.12 2017 Audited
NON CURRENT ASSETS			
Intangible Assets			
Goodwill	2 734	2 734	2 734
Other intangible assets	251	256	260
Total Intangible Assets	2 985	2 990	2 994
Fixed Assets	841	710	857
Non current Financial Assets	4	2	4
Total Non Current Assets	3 831	3 701	3 855
CURRENT ASSETS			
Inventory	3 059	2 704	3 152
Trade and Other Receivables	282	206	375
Cash and Cash Equivalents	137	46	314
Total Current Assets	3 478	2 956	3 840
TOTAL ASSETS	7 309	6 658	7 695
SHAREHOLDERS' EQUITY			
Paid-in Capital	2 910	2 890	2 861
Other equity	967	714	985
Total Shareholders' Equity	3 876	3 604	3 846
LIABILITIES			
Deferred tax liability	58	52	42
Total Provisions	58	52	42
Other non-current liabilities			
Interest bearing non-current liabilities	1 068	1 054	1 090
Total other non-current liabilities	1 068	1 054	1 090
Total non-current liabilities	1 126	1 106	1 132
Current liabilities			
Accounts payable	684	617	842
Current interest bearing liabilities	797	710	916
Tax payable	132	63	143
Public duties payable	243	150	326
Other current liabilities	451	408	491
Total current liabilities	2 306	1 948	2 717
TOTAL LIABILITIES	3 433	3 054	3 849
TOTAL EQUITY AND LIABILITIES	7 309	6 658	7 695

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

Condensed consolidated interim statement of cash flows

<i>(Amounts in NOK million)</i>	Q1 2018	Q1 2017	FY2017 Audited
Operating Activities			
Profit before income tax	-12	-10	626
<i>Adjustments for:</i>			
Income tax paid	-47	-61	-113
Depreciation	45	35	159
Net financial expense	17	9	42
<i>Changes in working capital:</i>			
Changes in inventory	28	-79	-453
Changes in accounts receivable	87	72	-88
Changes in accounts payable	-146	-24	177
Other changes	62	-97	140
Cash provided (used) by operating activities	35	-153	490
Investing Activities			
Acquisition of fixed assets and intangible assets	-53	-59	-304
Cash provided (used) by investing activities	-53	-59	-304
Financing Activities			
Purchase of own shares/other equity transactions	41	0	-11
Payments on long/short term debt	0	0	0
Proceeds from new long/short-term debt	-194	147	341
Interest payments	-6	-7	-40
Dividend	0	0	-277
Cash provided (used) by financing activities	-159	140	13
Net Change in Cash and Cash Equivalents	-177	-72	199
Cash and cash equivalents - beginning of period	314	115	115
Effect of foreign currency rate changes on cash and equivalent:	0	3	0
Cash and Cash Equivalents - End of Period	137	46	314

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

Condensed consolidated interim Statement of Changes in Equity

(Amounts in NOK million)

	Share capital	Share premium	Other Paid in Equity	Retained earnings	Foreign Currency Rate Changes	Total Shareholders' Equity
Shareholders' Equity 01.01.17	55	2 817	14	718	3	3 608
Net income YTD 2017				512		512
Foreign currency rate changes					4	4
Transactions with owners:						
Purchase own shares	0	-11				-11
Employee share incentive program			9			9
Dividend				-276		-276
Shareholders' Equity 31.12.17	55	2 806	23	954	7	3 846
<i>Effects of IFRS 15 Implementation</i>	-	-	-	-11	-	-11
Shareholders' Equity 01.01.18	55	2 806	23	943	7	3 835
Net income YTD 2017				-9		-9
Foreign currency rate changes					-1	-1
Transactions with owners:						
Transfer own shares	0	8				8
Vesting of share options	0	41				41
Employee share incentive program			4			4
Shareholders' Equity 31.03.18	55	2 854	27	934	6	3 876

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

Notes to the interim financial statements

Note 1 General information

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

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

These condensed interim financial statements have not been audited.

Note 2 Basis of preparation

These condensed interim financial statements for the three months ended 31 March 2018 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Note 3 Accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2017.

Note 4 Estimates, judgments and assumptions

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

In preparing these condensed interim financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2017.

Note 5 Earnings per share

	Q1 2018	Q1 2017	YE 2017
Total profit (in NOK million)	-9	-8	512
Weighted average number of ordinary shares in issue	138 618 173	138 512 123	138 327 726
Adjustment for:			
Effect share options	2 213 106	2 127 812	1 965 058
Weighted number of ordinary shares in issue for diluted earnings per share	140 831 280	140 639 935	140 292 784
Basic Earnings per share (in NOK)	-0,07	-0,05	3,70
Diluted Earnings per share (in NOK)	-0,07	-0,05	3,65

Note 6 Operating Segments

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

Q1 2018

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	Denmark	Austria	HQ & Logistics	Total
Operating revenue	1 007	593	386	15	68	-	2 071
Gross profit	408	219	135	2	20	-	784
EBITDA ²	153	9	9	-3	-18	-98	51
Operating Income	140	-2	3	-3	-19	-113	6

Q1 2017

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	Denmark	Austria	HQ & Logistics	Total
Operating revenue	905	511	287	10	-	-	1 713
Gross profit	353	178	94	1	-	-	626
EBITDA ²	125	6	-	-3	-	-94	34
Operating Income	114	-3	-4	-3	-	-106	-2

01.01.2017 - 31.12.2017

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	Denmark	Austria	HQ & Logistics	Total
Operating revenue	4 434	2 631	1 494	52	98	-	8 709
Gross profit	1 868	1 003	532	10	31	-	3 444
EBITDA ²	900	219	110	-9	-33	-361	826
Operating Income	854	183	90	-9	-34	-416	668

Note 7 Related Party Transactions

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

There are no major related party transactions for XXL Group in Q1 2018. Further, none of the Board members have been granted loans or guarantees in the current year or are included in the Group's pension or bonus plans.

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

Note 8 Risk Management

A description of main risk factors in XXL is included in Note 19 in the Annual Report for 2017.

Note 9 Changes in accounting principles

The following standards have been implemented from 1 January 2018.

- IFRS 9 Financial instruments – there are no significant accounting effects for the company.
- IFRS 15 Revenues from contracts with customers – please see Statement of Changes in Equity for effects 1 January 2018.

IFRS 16 will be implemented from 1 January 2019. For further details, please see note 17 in the annual report for 2017.

Disclaimer

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

Footnotes/Definitions

Alternative Performance Measures (APM)

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

¹⁾ **EBIT**

Our EBIT represents operating income.

²⁾ **EBITDA**

Our EBITDA represents operating income plus depreciation.

³⁾ **Like for Like**

Like for Like include comparable stores and E-commerce. Comparable stores are stores that have been open all months of the current year and all months of the previous year. Stores that have been relocated or significantly expanded are excluded from Like for Like stores.

⁴⁾ **Gross profit / Gross margin**

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

⁵⁾ **Working capital**

Working capital consists of accounts receivables, accounts payables, inventory, other receivables and other current liabilities.

⁶⁾ **Net interest bearing debt**

Net interest bearing debt is defined as total other long-term debt and short-term borrowings less cash and cash equivalents

⁷⁾ **OPEX**

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

⁸⁾ **Inventory per store**

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

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FINANCIAL CALENDAR

Annual General Meeting	06.06.2018
Q2 2018 results	20.07.2018
Q3 2018 results	24.10.2018

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