

# HIGHLIGHTS

- Total revenues of NOK 2 054 million (NOK 1 898 million), up 8 per cent
- Late spring season – Good start of summer
- Margins under pressure in Sweden – Still good progression in Finland
- Four new store openings
- Austria well on track for launch in Q3 2017



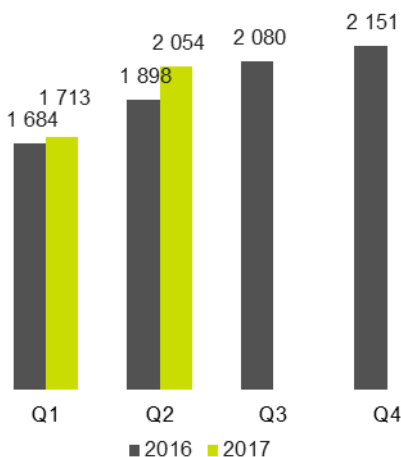
**Q2**  
**Growth**

Revenue  
**+ 8%**  
EBITDA  
**- 5%**

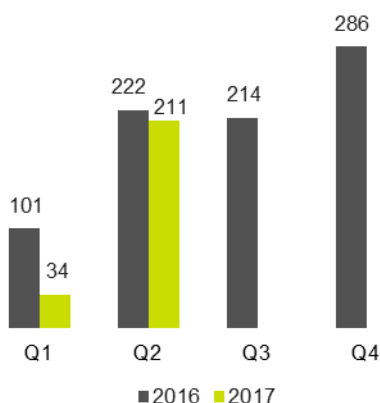
**H1**  
**Growth**

Revenue  
**+ 5%**  
EBITDA  
**- 24%**

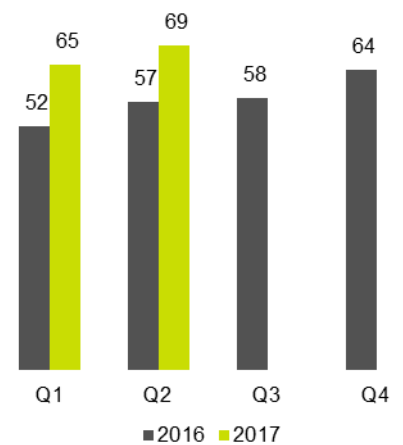
**OPERATING REVENUES**



**EBITDA**



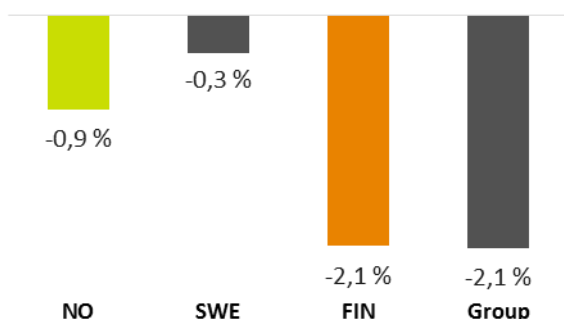
**NUMBER OF STORES**



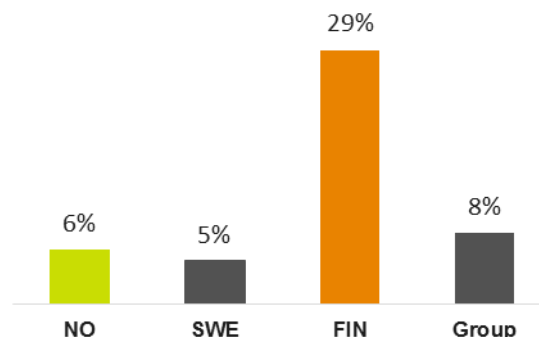
**KEY FIGURES GROUP**

| (Amounts in NOK million)                  | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 | FY 2016 Audited |
|---|---------|---------|---------|---------|-----------------|
| <b>GROUP</b>                              |         |         |         |         |                 |
| Operating revenue                         | 2 054   | 1 898   | 3 767   | 3 581   | 7 813           |
| Growth (%)                                | 8,2 %   | 23,7 %  | 5,2 %   | 23,4 %  | 20,4 %          |
| Gross profit <sup>4</sup>                 | 823     | 783     | 1 448   | 1 406   | 3 119           |
| Gross margin (%)                          | 40,1 %  | 41,3 %  | 38,4 %  | 39,3 %  | 39,9 %          |
| OPEX % <sup>7</sup>                       | 29,8 %  | 29,6 %  | 31,9 %  | 30,2 %  | 29,4 %          |
| EBITDA <sup>2</sup>                       | 211     | 222     | 245     | 323     | 824             |
| EBITDA margin (%)                         | 10,3 %  | 11,7 %  | 6,5 %   | 9,0 %   | 10,5 %          |
| EBIT <sup>1</sup>                         | 172     | 194     | 172     | 269     | 697             |
| EBIT margin                               | 8,4 %   | 10,2 %  | 4,6 %   | 7,5 %   | 8,9 %           |
| **Basic Earnings per share (NOK)          | 0,97    | 1,03    | 0,92    | 1,37    | 3,73            |
| **Average number of shares (1 000 shares) | 138 512 | 138 512 | 138 512 | 138 512 | 138 512         |
| Net cash flow from operating activities   | -51     | 23      | -204    | -14     | 31              |
| Like for like revenue growth <sup>3</sup> | -2,1 %  | 10,6 %  | -5,8 %  | 11,2 %  | 7,5 %           |
| Number of stores at period end            | 69      | 57      | 69      | 57      | 64              |

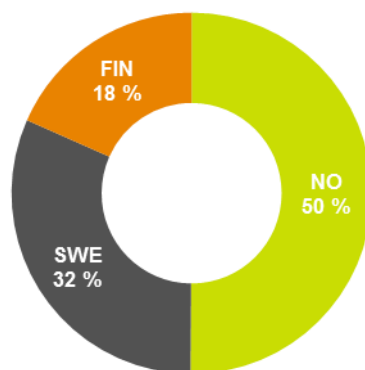
**GROWTH BY COUNTRY Q2, LIKE FOR LIKE (LOCAL CURRENCY)**



**GROWTH BY COUNTRY Q2 (LOCAL CURRENCY)**



**REVENUE SPLIT Q2**



\*\*Earnings per share: See Note 5.  
Footnotes and definitions are described in the end of the report

**KEY FIGURES SEGMENTS**

| (Amounts in NOK million)            | Q2 2017 | Q2 2016 | H1 2017 | H1 2016  | FY 2016<br>Audited |
|-------------------------------------|---------|---------|---------|----------|--------------------|
| <b>SEGMENT</b>                      |         |         |         |          |                    |
| <b>Norway</b>                       |         |         |         |          |                    |
| Operating revenue                   | 1 023   | 962     | 1 928   | 1 844    | 4 151              |
| Growth (%)                          | 6,3 %   | 14,4 %  | 4,6 %   | 11,5 %   | 14,7 %             |
| Gross profit <sup>4</sup>           | 437     | 414     | 790     | 756      | 1 764              |
| Gross margin (%)                    | 42,7 %  | 43,0 %  | 41,0 %  | 41,0 %   | 42,5 %             |
| OPEX % <sup>7</sup>                 | 21,3 %  | 22,0 %  | 23,1 %  | 22,4 %   | 21,9 %             |
| EBITDA <sup>2</sup>                 | 220     | 202     | 345     | 343      | 857                |
| EBITDA margin (%)                   | 21,5 %  | 21,0 %  | 17,9 %  | 18,6 %   | 20,6 %             |
| Number of stores at period end      | 31      | 27      | 31      | 27       | 31                 |
| <b>Sweden</b>                       |         |         |         |          |                    |
| Operating revenue                   | 644     | 639     | 1 155   | 1 202    | 2 474              |
| Growth (%)                          | 0,7 %   | 28,7 %  | -3,9 %  | 32,3 %   | 21,0 %             |
| Gross profit <sup>4</sup>           | 244     | 267     | 422     | 477      | 959                |
| Gross margin (%)                    | 37,9 %  | 41,7 %  | 36,6 %  | 39,7 %   | 38,8 %             |
| OPEX % <sup>7</sup>                 | 30,5 %  | 28,2 %  | 31,9 %  | 28,7 %   | 28,4 %             |
| EBITDA <sup>2</sup>                 | 48      | 86      | 53      | 131      | 257                |
| EBITDA margin (%)                   | 7,4 %   | 13,5 %  | 4,6 %   | 10,9 %   | 10,4 %             |
| Number of stores at period end      | 25      | 21      | 25      | 21       | 22                 |
| <b>Finland</b>                      |         |         |         |          |                    |
| Operating revenue                   | 375     | 291     | 662     | 530      | 1 161              |
| Growth (%)                          | 29,1 %  | 47,5 %  | 24,9 %  | 55,7 %   | 40,8 %             |
| Gross profit <sup>4</sup>           | 138     | 102     | 232     | 174      | 392                |
| Gross margin (%)                    | 36,9 %  | 35,1 %  | 35,0 %  | 32,7 %   | 33,8 %             |
| OPEX % <sup>7</sup>                 | 28,6 %  | 31,2 %  | 30,3 %  | 31,8 %   | 30,3 %             |
| EBITDA <sup>2</sup>                 | 31      | 11      | 31      | 5        | 40                 |
| EBITDA margin (%)                   | 8,3 %   | 3,9 %   | 4,7 %   | 0,9 %    | 3,5 %              |
| Number of stores at period end      | 13      | 9       | 13      | 9        | 11                 |
| <b>Denmark</b>                      |         |         |         |          |                    |
| Operating revenue                   | 11      | 5       | 21      | 5        | 27                 |
| Gross profit <sup>4</sup>           | 3       | 0       | 4       | 0        | 3                  |
| Gross margin (%)                    | 23,1 %  | 7,9 %   | 19,0 %  | 7,9 %    | 11,2 %             |
| OPEX % <sup>7</sup>                 | 37,7 %  | 103,0 % | 39,3 %  | 109,6 %  | 57,9 %             |
| EBITDA <sup>2</sup>                 | -2      | -5      | -4      | -5       | -13                |
| EBITDA margin (%)                   | -14,5 % | -95,1 % | -20,4 % | -101,7 % | -46,7 %            |
| <b>HQ &amp; logistics*</b>          |         |         |         |          |                    |
| EBITDA <sup>2</sup>                 | -86     | -72     | -180    | -151     | -318               |
| EBITDA margin (% of Group revenues) | -4,2 %  | -3,8 %  | -4,8 %  | -3,8 %   | -4,1 %             |

\*) HQ & Logistics includes start-up costs in Austria. Austria will be an operating segment from Q3 2017

# Cost improvements offset demanding conditions

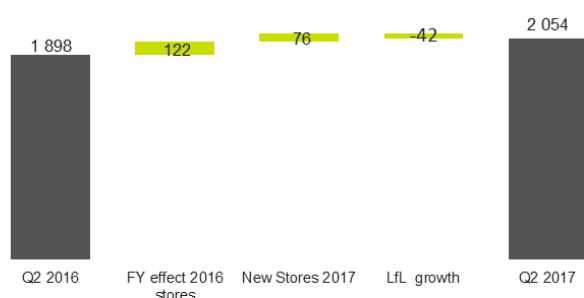
**Oslo, 20 July 2017: XXL ASA delivered a growth of 8 per cent for the second quarter 2017 under demanding spring conditions but sales responded well with the arrival of summer conditions late in the quarter. Cost focus throughout the organization compensated for a negative like-for-like growth. EBITDA for the Group amounted to NOK 211 million in the quarter with a corresponding margin of 10.3 per cent, where the Finnish operation delivered a solid improvement compared to last year. XXL is currently establishing operations in Austria and the organization is well on track for its first store opening to come in the third quarter 2017. Group EBITDA without Austrian cost was NOK 218 million.**

## Second quarter performance

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

XXL Group delivered a growth of 8.2 per cent in the second quarter 2017 and total operating revenues ended at NOK 2 054 million (NOK 1 898 million). Most regions in the Nordics experienced a slow start of the spring season, with cold weather and snow until mid May. XXL experienced good sales of summer related products with the summer arrival in mid June. However, like-for-like growth was negatively impacted by the cold spring and decreased by 2.1 per cent in the quarter, including negative y-o-y currency effects. Norway had a negative like-for-like growth of 0.9 per cent but impacted by some cannibalization effects. Sweden delivered a negative like-for-like growth of 0.3 per cent in local currency and Finland a negative like-for-like growth of 2.1 per cent in local currency.

**GROWTH DRIVERS**  
Q2 2016 - Q2 2017  
*(Amounts in MNOK)*



The revenue growth was driven by effects from new stores opened in 2017 and by stores established in 2016 with full effect this year in addition to growth from E-commerce. XXL opened four new stores in the quarter and now operates in total 69 stores in addition to E-commerce operations in four countries. Finland had the highest growth in the quarter where the revenues increased by 29.3 per cent in local currency. Norway reported 6.3 per cent revenue growth in the quarter, while the revenues from Sweden increased by

5.0 per cent in local currency. Denmark achieved revenues of NOK 11 million in the quarter. E-commerce had a growth of 26.0 per cent, representing 12.4 per cent (10.6 per cent) of the Group operating revenues.

Overall the sporting goods industry in the Nordics was characterized by more campaign activities and discounts compared to the same quarter last year, driven by continued challenging seasonal weather conditions and corresponding high inventory levels. Gross margin for the Group declined to 40.1 per cent (41.3 per cent) especially driven by the Swedish operation, while the gross margin in Finland continued to improve. Last year the Swedish operation experienced good seasonal variations, with overall high sales of spring and summer related products and thereby lower share of clearance sales compared to the same period this year. XXL also established three new stores in Sweden in the quarter compared to one the same quarter last year. The corresponding opening campaigns were carried out in many Swedish stores which contributed to a certain negative impact on the gross margin as well.

Operating expenses before depreciation as percentage of sales increased from 29.6 per cent in the second quarter 2016 to 29.8 per cent in the second quarter 2017. Both Norway and especially Finland improved its relative operating expenses despite negative like-for-like sales growth. This is driven by many cost initiatives and fine tuning of the operations over time, such as the number of employees at work in the stores. Sweden was impacted negatively by costs related to three new store openings of which two opened late in the quarter and with higher marketing expenses to increase sales in a competitive market. Operating expenses before depreciation increased by 9.1 per cent in the quarter despite an increase of 21 per cent in number of stores start up costs of establishing XXL in Austria and increased costs after expanding the central warehouse capacity.

The Group EBITDA in the second quarter 2017 was NOK 211 million (NOK 222 million) corresponding to an EBITDA-margin of 10.3 per cent compared to 11.7 per cent in the same quarter last year. Adjusted for the start-up costs of establishing XXL in Austria of NOK 7 million, the EBITDA-margin was 10.6 per cent and the EBITDA NOK 218 million.

## Operating segments

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

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

### Norway

Overall the Norwegian market experienced a slow start of the spring season also negatively affected by less selling days compared to Q2 2016 due to Easter effects. The spring was cold with snowfalls even in May in many regions. The arrival of summer weather in the middle of June contributed to a good end of quarter sales of summer related products.

Total operating revenues from the XXL's operations in Norway was NOK 1 023 million (NOK 962 million) which corresponded to a growth of 6.3 per cent compared to the same quarter last year. The growth was driven by full year effect of stores that opened in 2016 and by E-commerce. The like-for-like growth was negative of 0.9 per cent in the quarter but positive of 1.8 per cent when adjusting for cannibalization effects for new stores opened in Tønsberg, Bergen and Drammen. Please note that all the new stores that opened in 2016 are smaller stores and will yield significantly lower than average sales per store.

Tough market conditions this quarter compared to the same quarter last year increased the share of clearance sales and impacted the gross margin negatively. The gross margin declined from 43.0 per cent in Q2 2016 to 42.7 per cent in Q2 2017.

Operating expenses as percentage of sales equaled 21.3 per cent in Q2 2017 compared to 22.0 per cent in Q2 2016 despite a negative like-for-like figure this quarter. Cost focus and initiatives throughout the Norwegian organization improved the cost base which last year also was influenced by costs of opening three new stores. EBITDA ended at NOK 220 million (NOK 202 million) corresponding to an EBITDA margin of 21.5 per cent (21.0 per cent).

### Sweden

Total operating revenues for XXL in Sweden in Q2 2017 amounted to NOK 644 million (NOK 639 million), corresponding to a growth rate of 5.0 per cent in local currency. The main drivers were growth from stores that opened in 2016 and the establishment of three new stores during the quarter (Nordby on 19 May, Växjö on 12 June and Töcksfors on 15 June). The like-for-like figure was negative of 0.3 per cent in local currency.

According to market figures from HUI Research, the sale of sporting goods in Sweden increased by 3.2 per cent in April and by 2.8 per cent in May compared to the same months last year. The market was characterized by campaigns with a lot of discounts from many competitors during the whole quarter. This was due to continued challenging seasonal

weather conditions and a corresponding overall high inventory levels in the industry. At the same time XXL established three new stores in the quarter (one in Q2 2016), with corresponding campaigns in all stores. All these market activities impacted the gross margin negatively and the gross margin was reduced from 41.7 per cent in Q2 2016 to 37.9 per cent in Q2 2017. Adjusted for the revised allocation method for distribution of wholesale margin between Sweden and Finland as previously communicated, the gross margin in Q2 2016 was 41.3 per cent driven by good seasonal variations that resulted in low share of campaigns with reduced prices and higher gross margins.

Two of the new stores opened in the second quarter are part of the XXL outlet concept (Nordby and Töcksfors). They are located on the Swedish/Norwegian border serving the cross border trade. The concept has more bargain products with discounted prices yielding lower gross margins, but at the same time it is more self-service oriented with lower operational cost than a regular store. Please note that the outlet store in Töcksfors will yield annual revenues estimated at around NOK 30 million which is significantly below the average store revenue in Sweden. However, now with the total of three XXL Outlet stores, XXL has covered the three most important border passes between Norway and Sweden, which is characterized by significant number of Norwegians shopping in weekends and holidays.

EBITDA ended at NOK 48 million (NOK 86 million). This corresponded to an EBITDA margin of 7.4 per cent, down from 13.5 per cent in Q2 2016 and from 13.1 per cent adjusted for the before mentioned reclassification effects on gross profit between Sweden and Finland. The decline in margin is due to the lower gross margin as described above as well as costs related to the opening of three new stores whereof two opened late in the quarter and higher marketing expenses in a competitive market. Operating expenses as percentage of sales equaled 30.5 per cent in the second quarter this year compared to 28.2 per cent last year.

In May our employee Andrea Norlander was awarded the best store sales person in Swedish retail at Svensk Handels annual Retail Awards in cooperation with the retail journal, Market. XXL is very proud of Andrea and all the skillful XXL salesmen bringing passion to work everyday. Congratulations!

### Finland

Total operating revenues from the Finnish operations amounted to NOK 375 million (NOK 291 million), representing a growth of 29.3 per cent in local currency. The growth was driven by effects from stores that opened in 2016 and new stores opened this year. On 19 April XXL established a store in Jyväskylä. This is a new city for XXL and the store has been well visited since the opening. However, the overall market in Finland was slow in the quarter with difficult spring conditions and a continued challenging macro situation. As a consequence, the like-for-like figure declined by 2.1 per cent in local currency.

Gross margin increased from 35.1 per cent in the second quarter last year to 36.9 per cent in the second quarter this year. Adjusted for the reclassification effects on gross profit last year between Sweden and Finland the gross margin was 35.9 per cent in Q2 2016. The improvement in gross margin is due to better store operations, pricing and sales strategies.

EBITDA amounted to NOK 31 million (NOK 11 million) and the EBITDA-margin improved from 3.9 per cent in Q2 2016 to 8.3 per cent in Q2 2017. Adjusted for the reclassification effects last year between Sweden and Finland the EBITDA margin was 4.7 per cent in Q2 2016. Higher gross margin as well as cost efficiency and overall better store operations over time are key drivers behind this development. Operating expenses as percentage of sales improved to 28.6 per cent in the quarter (31.2 per cent) despite the before mentioned negative like-for-like growth.

### Denmark

XXL launched an E-commerce offering in Denmark on 27 May 2016. The first year of operation has been according to plan. Utilizing the existing infrastructure in the XXL Group has proved successful and logistics, delivery times and organization have surpassed expectations. However, the operation demands a lot on marketing and visibility without having the help from physical stores. XXL will evaluate to open stores in Denmark over time, offering omni-channel services also to the Danish consumers.

Total operating revenues in the second quarter 2017 amounted to NOK 11 million. The gross margin increased to 23.1 per cent but the EBITDA was negative of NOK 2 million. Denmark is a fragmented market with many players and XXL has experienced good traffic figures. However, improvements have been addressed in order to increase conversion and order value as well as controlling the return rates that will lead to higher gross margins and lower costs over time. XXL has now strengthened in the local management and the daily operations to improve the performance longer term.

### E-commerce

Please note that E-commerce is not a separate segment in the financial reporting but is reported under each country segment. Currently XXL has an online offering in Norway, Sweden, Finland and Denmark through [xxl.no](http://xxl.no), [xxl.se](http://xxl.se), [xxl.fi](http://xxl.fi) and [xxl.dk](http://xxl.dk) respectively.

E-commerce sales comprised 12.4 per cent of total Group operating revenues in Q2 2017 compared to 10.6 per cent in Q2 2016. The second quarter 2017 showed another quarter with good growth and operating revenues increased by 26.0 per cent to NOK 254 million (NOK 201 million). Especially Norway and Finland showed good growth while Sweden was more demanding. XXL has made some changes in the local organization in Sweden in order to improve the operations.

In April [xxl.fi](http://xxl.fi) established a front end website in Russian, <https://ru.xxl.fi>, serving Russian customers and with pick-up

services at the Finnish stores. Sales on the website have been limited so far, but have increased the number of Russian customers to the store.

The E-commerce organization has also commenced the work of strengthening the omni-channel position. This includes targeted marketing using new analytical tools and efficient retargeting solutions. In addition, XXL is preparing for the launch of an E-commerce offering in Austria. All employees are in place, including a customer service function, and they are currently undergoing training. Technical implementation of the platform, order processing, shipment and returns have already successfully commenced. Testing of the site, value chain and solutions are ongoing and well on track.

### 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 86 million (NOK 72 million) in the quarter. This equals 4.2 per cent of total Group operating revenue. The corresponding figure for the second quarter last year was 3.8 per cent. The increased costs are related the Austrian start-up and to the expansion of the central warehouse in Norway from 24 000 to 32 000 square meters, which was finalized and handed over in mid November 2016. This provided for higher rental and personnel costs in the second quarter 2017.

XXL had start up costs related to the establishment in Austria in the quarter of NOK 7 million. This is included in the HQ and Logistics segment until the opening of the first store in Q3 2017 and comprised of salaries to employees, national head office and costs related to training and recruitment. XXL has already around 20 employees in Austria and the establishment is well on track with respect to personnel, store set ups, suppliers, orders and assortments. Operating expenses for HQ and Logistics in the quarter equaled 3.8 per cent of total Group operating revenue when adjusting for this start up costs in Austria, on par with the second quarter last year.

## Financials

### Consolidated income statement – Second quarter

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

**Total operating revenue** increased by 8.2 per cent to NOK 2 054 million (NOK 1 898 million).

**Total operating expenses**, excluding depreciation and cost of goods sold, equaled NOK 612 million (NOK 561 million) in the second quarter. As percentage of total operating revenues of the Group, operating expenses increased from 29.6 per cent last year to 29.8 per cent this year.

**Net financial expense** amounted to NOK 4 million for the

second quarter (NOK 11 million). Net interest expenses equaled NOK 8.8 million in the quarter. The financial expenses include a positive currency effect of NOK 7.8 million compared to a negative currency effect of NOK 0.2 million in the same quarter last year. The rest of the expenses were related to amortization of loan costs, interests on lease contracts and transaction costs.

**Income tax expense** for the second quarter was NOK 34 million (NOK 40 million) and the effective tax rate was estimated to 20.0 per cent.

**Profit for the period** ended at NOK 135 million (NOK 143 million).

#### Consolidated income statement – First half year

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

**Total operating revenue** for the first half year 2017 was NOK 3 767 million (NOK 3 581 million), a growth of 5.2 per cent. The drivers behind the growth are full year effect of new stores opened in 2016, new store openings so far this year, and E-commerce growth of 28.7 per cent. The like-for-like growth was negative of 5.8 per cent impacted by a challenging winter and spring season in all markets.

**Total operating expenses**, excluding depreciation and cost of goods sold, were NOK 1 203 million (NOK 1 083 million) in the first half year. As percentage of total operating revenues of the Group, operating expenses increased from 30.2 per cent last year to 31.9 per cent this year. This is due to the negative like-for-like growth impacting the scale benefits of the operations, start up costs of establishing XXL in Austria of NOK 8 million, establishment of operations in Denmark and increased costs after expanding the central warehouse capacity.

**Net financial expense** amounted to NOK 13 million for the first half year (NOK 25 million). The financial expenses include a positive currency effect of NOK 10.6 million compared to a negative currency effect of NOK 3.6 million in the same period last year.

**Income tax expense** for the first half year were NOK 32 million (NOK 54 million) and the effective tax rate was estimated to 20.0 per cent.

**Profit for the period** ended at NOK 127 million (NOK 190 million) as a result of the reasons stated above.

#### Consolidated cash flow - First half year

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

Cash used by operating activities ended at NOK 204 million in H1 2017 compared to NOK 14 million in H1 2016. The main reason for the negative deviation is lower profit before income tax, changes in payment of income tax between quarters and increased working capital<sup>5</sup>.

The inventory increased from NOK 2 267 million at the end of H1 2016 to 2 925 million at the end of H1 2017 due to new product categories, new stores, growth and currency effects. Inventory per store<sup>8</sup> (including E-commerce) equaled NOK 40.1 million (NOK 37.8 million) by the end of H1 2017. Currency effects equaled NOK 0.4 million of the increase. The inventory level is too high and is related to lower sales than expected in a difficult winter and spring season. There are a lot of initiatives to reduce the inventory and some effects have already taken effect. However, it will be challenging to reach the target of mid NOK 30's million per store (including E-commerce) by the end of the Q3 2017 due to the difficult seasons. The expected level is closer to high 30's. The inventory continues to be healthy despite the seasonal challenges.

Cash used by investing activities was NOK 137 million (NOK 135 million) in H1 2017. This is related to investments in new stores, maintenance CAPEX on existing stores and investments in infrastructure. Investments in infrastructure were NOK 48 million by the end of H1 2017.

Cash provided from financing activities amounted to NOK 519 million (NOK 249 million) of which NOK 594 million is related to draw down on existing credit facilities.

#### Financial position and liquidity - First half year

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

As of 30 June 2017, total assets amounted to NOK 7 262 million (NOK 6 246 million). Total equity was NOK 3 459 million (NOK 3 282 million), resulting in an equity ratio of 47.6 per cent (52.5 per cent). Net interest bearing debt<sup>6</sup> increased to NOK 1 903 million (NOK 1 204 million) due to draw down of short term debt for investments in new stores and infrastructure, increased inventory and dividend payment. The leverage ratio equalled 2.6x.

The Group had cash and cash equivalents of NOK 292 million (NOK 186 million) as of 30 June 2017, of which NOK 24 million was restricted cash. The Group's liquidity reserves include total credit facilities of NOK 1 400 million whereof NOK 1 099 million was used as of 30 June 2017. Available liquidity reserves as of 30 June 2017 were NOK 569 million (NOK 586 million).

#### Summary from the Annual General Meeting

The Annual General Meeting of XXL ASA was held on 7 June 2017. All items were resolved in accordance with the proposals from the Board and the Nomination Committee's recommendations. The Annual General Meeting approved to distribute a dividend of NOK 2.00 per share. The shares in XXL ASA traded ex-dividend from 8 June 2017 and the payment date was 4 July 2017.

#### Outlook

XXL has signed 11 new lease agreements for store openings for 2017 where of 1 in Norway, 4 in Sweden, 4 in Finland and 2 in Austria. This includes 5 stores that are opened by the end of Q2 2017.

Regarding Austria both the stores are in Vienna, giving synergies to marketing cost. The first store opening will be late Q3 2017. In addition, XXL will launch an E-commerce offering to achieve omni-channel functionality. A local team of at least five employees will be recruited for buying and support to establish XXL in the new area. This organization will be scaled for the whole DACH-region (Germany, Austria and Switzerland). CAPEX per store will be in the range of EUR 1.7 -1.9 million and an average pay-back per store of 4-5 years including net working capital. The average pay-back time is after being some time in the market, following a establishing period. 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. Hence, the start-up in Austria will have higher costs than the launch in Sweden, Finland and Denmark. XXL expects between 15-20 stores in total in the Austrian market.

To continue the growth strategy, within both stores and E-commerce, and in new markets as well as 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 2017. In addition XXL has refurbished two stores with CAPEX in the range of two new stores.

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: In Norway at low 40's, high 30's in Sweden and between mid and high 30's in Finland. Due to the demanding macro in Finland the lift to high 30's may take longer time than in Sweden
- EBITDA-margins: In Norway at low 20's, in Sweden low double digits and in Finland high single digits. Due to the demanding macro in Finland the lift to high single digits may take longer time than in Sweden.
- Both gross margin and EBITDA-margin for the Group will be negatively affected by the establishment in new markets

## Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2017 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Oslo, 20 July 2017  
Board of Directors, XXL ASA

Øivind Tidemandsen  
Chairman

Tore Valderhaug  
Board member

Anna Attemark  
Board member

Ronny Blomseth  
Board member

Anette Mellbye  
Board member

Fredrik Steenbuch  
CEO



# Condensed consolidated financial statements

UNAUDITED, FOR THE PERIOD ENDED June 30, 2017

Condensed Consolidated Interim Income Statement

| <i>(Amounts in NOK million)</i>                                      | <b>Q2 2017</b> | Q2 2016 | <b>H1 2017</b> | H1 2016 | FY 2016<br>Audited |
|--|----------------|---------|----------------|---------|--------------------|
| <b>Total Operating Revenue</b>                                       | <b>2 054</b>   | 1 898   | <b>3 767</b>   | 3 581   | 7 813              |
| Cost of goods sold   | <b>1 231</b>   | 1 115   | <b>2 319</b>   | 2 175   | 4 694              |
| Personnel expenses   | <b>327</b>     | 296     | <b>651</b>     | 574     | 1 240              |
| Depreciation   | <b>38</b>      | 28      | <b>73</b>      | 54      | 127                |
| Other operating expenses   | <b>285</b>     | 265     | <b>552</b>     | 509     | 1 055              |
| <b>Total Operating Expenses</b>                                      | <b>1 881</b>   | 1 704   | <b>3 595</b>   | 3 313   | 7 116              |
| <b>Operating Income</b>  | <b>172</b>     | 194     | <b>172</b>     | 269     | 697                |
| <b>Net Financial Income (+) / Expense (-)</b>                        | <b>-4</b>      | -11     | <b>-13</b>     | -25     | -55                |
| <b>Profit before income tax</b>                                      | <b>168</b>     | 183     | <b>159</b>     | 244     | 642                |
| Income tax expense   | <b>34</b>      | 40      | <b>32</b>      | 54      | 126                |
| <b>Profit for the period</b>   | <b>135</b>     | 143     | <b>127</b>     | 190     | 516                |
| <b>Basic Earnings per share (NOK)</b>                                | <b>0,97</b>    | 1,03    | <b>0,92</b>    | 1,37    | 3,73               |
| <b>Diluted Earnings per share (NOK)</b>                              | <b>0,96</b>    | 1,02    | <b>0,90</b>    | 1,36    | 3,70               |
| <b>Other comprehensive income</b>                                    |                |         |                |         |                    |
| <i>Items that may be subsequently reclassified to profit or loss</i> |                |         |                |         |                    |
| Foreign currency rate changes  | <b>-3</b>      | 8       | <b>0</b>       | 8       | 3                  |
| <b>Total Other Income and Expense</b>                                | <b>-3</b>      | 8       | <b>0</b>       | 8       | 3                  |
| <b>Total comprehensive income for the period</b>                     | <b>132</b>     | 151     | <b>127</b>     | 198     | 519                |

*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>     | <b>30.6.17</b> | 30.6.16 | 31.12.2016<br>Audited |
|-------------------------------------|----------------|---------|-----------------------|
| <b>NON CURRENT ASSETS</b>           |                |         |                       |
| <b>Intangible Assets</b>            |                |         |                       |
| Goodwill                            | 2 734          | 2 734   | 2 734                 |
| Other intangible assets             | 255            | 242     | 253                   |
| <b>Total Intangible Assets</b>      | <b>2 989</b>   | 2 976   | 2 987                 |
| Fixed Assets                        | 771            | 613     | 681                   |
| Non current Financial Assets        | 2              | 0       | 2                     |
| <b>Total Non Current Assets</b>     | <b>3 762</b>   | 3 590   | 3 670                 |
| <b>CURRENT ASSETS</b>               |                |         |                       |
| Inventory                           | 2 925          | 2 267   | 2 610                 |
| Trade and Other Receivables         | 282            | 203     | 277                   |
| Cash and Cash Equivalents           | 292            | 186     | 115                   |
| <b>Total Current Assets</b>         | <b>3 500</b>   | 2 656   | 3 003                 |
| <b>TOTAL ASSETS</b>                 | <b>7 262</b>   | 6 246   | 6 673                 |
| <b>SHAREHOLDERS' EQUITY</b>         |                |         |                       |
| Paid-in Capital                     | 2 883          | 2 881   | 2 887                 |
| Other equity                        | 576            | 401     | 722                   |
| <b>Total Shareholders' Equity</b>   | <b>3 459</b>   | 3 282   | 3 608                 |
| <b>LIABILITIES</b>                  |                |         |                       |
| Deferred tax liability              | 86             | 98      | 51                    |
| <b>Total Provisions</b>             | <b>86</b>      | 98      | 51                    |
| <b>Other long-term debt</b>         |                |         |                       |
| Interest bearing long-term debt     | 1 096          | 1 090   | 1 051                 |
| Non-interest bearing long-term debt | 78             | -       | 54                    |
| <b>Total other long-term debt</b>   | <b>1 174</b>   | 1 090   | 1 105                 |
| <b>Total long-term debt</b>         | <b>1 260</b>   | 1 188   | 1 156                 |
| <b>Short-term debt</b>              |                |         |                       |
| Accounts payable                    | 627            | 619     | 639                   |
| Short-term interest bearing debt    | 1 099          | 300     | 563                   |
| Tax payable                         | 6              | 127     | 123                   |
| Public duties payable               | 240            | 196     | 255                   |
| Other short-term debt               | 572            | 534     | 329                   |
| <b>Total short-term debt</b>        | <b>2 543</b>   | 1 776   | 1 909                 |
| <b>TOTAL LIABILITIES</b>            | <b>3 803</b>   | 2 964   | 3 066                 |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>7 262</b>   | 6 246   | 6 674                 |

*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>                                | <b>Q2 2017</b> | <b>Q2 2016</b> | <b>H1 2017</b> | <b>H1 2016</b> | <b>FY2016<br/>Audited</b> |
|--|----------------|----------------|----------------|----------------|---------------------------|
| <b>Operating Activities</b>                                    |                |                |                |                |                           |
| Profit before income tax                                       | <b>168</b>     | 183            | <b>159</b>     | 244            | 642                       |
| <i>Adjustments for:</i>  |                |                |                |                |                           |
| Income tax paid  | <b>-61</b>     | -59            | <b>-121</b>    | -63            | -182                      |
| Depreciation   | <b>38</b>      | 28             | <b>73</b>      | 54             | 127                       |
| Items classified as investments or financing                   | <b>7</b>       | 9              | <b>15</b>      | 14             | 19                        |
| Amortisation of capitalised transaction costs                  | <b>1</b>       | 3              | <b>2</b>       | 4              | 7                         |
| Fair value movement of financial derivatives                   | <b>2</b>       | -3             | <b>3</b>       | 1              | 1                         |
| <i>Changes in working capital:</i>                             |                |                |                |                |                           |
| Changes in inventory   | <b>-172</b>    | -289           | <b>-250</b>    | -339           | -777                      |
| Changes in accounts receivable                                 | <b>-10</b>     | 6              | <b>62</b>      | 93             | 14                        |
| Changes in accounts payable                                    | <b>-6</b>      | 137            | <b>-29</b>     | 41             | 73                        |
| Prepayments of financial leases                                | <b>-3</b>      | 4              | <b>-7</b>      | 1              | -8                        |
| Changes in other assets and liabilities                        | <b>-17</b>     | 6              | <b>-110</b>    | -64            | 115                       |
| <b>Cash provided (used) by operating activities</b>            | <b>-51</b>     | 23             | <b>-204</b>    | -14            | 31                        |
| <b>Investing Activities</b>                                    |                |                |                |                |                           |
| Acquisition of fixed assets and intangible assets              | <b>-79</b>     | -91            | <b>-137</b>    | -135           | -239                      |
| <b>Cash provided (used) by investing activities</b>            | <b>-79</b>     | -91            | <b>-137</b>    | -135           | -239                      |
| <b>Financing Activities</b>                                    |                |                |                |                |                           |
| Purchase of own shares/other equity transactions               | <b>-11</b>     | -9             | <b>-11</b>     | -9             | -9                        |
| Payments on long/short term debt                               | <b>-196</b>    | -87            | <b>-49</b>     | -87            | 0                         |
| Proceeds from new long/short-term debt                         | <b>594</b>     | 300            | <b>594</b>     | 387            | 549                       |
| Interest payments  | <b>-7</b>      | -9             | <b>-15</b>     | -14            | -19                       |
| Currency and other effects                                     | <b>0</b>       | -10            | <b>0</b>       | -28            | 0                         |
| Dividend   | <b>0</b>       | 0              | <b>0</b>       | 0              | -277                      |
| <b>Cash provided (used) by financing activities</b>            | <b>379</b>     | 185            | <b>519</b>     | 249            | 243                       |
| <b>Net Change in Cash and Cash Equivalents</b>                 | <b>249</b>     | 117            | <b>177</b>     | 99             | 36                        |
| Cash and cash equivalents - beginning of period                | <b>46</b>      | 69             | <b>115</b>     | 87             | 87                        |
| Effect of foreign currency rate changes on cash and equivalent | <b>-3</b>      | 0              | <b>0</b>       | 0              | -8                        |
| <b>Cash and Cash Equivalents - End of Period</b>               | <b>292</b>     | 186            | <b>292</b>     | 186            | 115                       |

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

## Condensed consolidated interim Statement of Changes in Equity

| <i>(Amounts in NOK million)</i>      | Share capital | Share premium | Other Paid in Equity | Retained earnings | Foreign Currency Rate Changes | Total Shareholders' Equity |
|--------------------------------------|---------------|---------------|----------------------|-------------------|-------------------------------|----------------------------|
| <b>Shareholders' Equity 01.01.16</b> | <b>48</b>     | <b>2 834</b>  | <b>4</b>             | <b>479</b>        | <b>1</b>                      | <b>3 219</b>               |
| Net income H1 2016                   |               |               |                      | 190               |                               | 190                        |
| Foreign currency rate changes        |               |               |                      |                   | 8                             | 8                          |
| <b>Transactions with owners:</b>     |               |               |                      |                   |                               |                            |
| Purchase own shares                  | -9            |               |                      |                   |                               | -9                         |
| Employee share incentive program     |               |               | 4                    |                   |                               | 4                          |
| Dividend                             |               |               |                      | -277              |                               | -277                       |
| <b>Shareholders' Equity 30.06.16</b> | <b>38</b>     | <b>2 834</b>  | <b>9</b>             | <b>392</b>        | <b>9</b>                      | <b>3 282</b>               |
| <b>Shareholders' Equity 01.01.17</b> | <b>38</b>     | <b>2 834</b>  | <b>14</b>            | <b>718</b>        | <b>3</b>                      | <b>3 608</b>               |
| Net income H1 2017                   |               |               |                      | 135               |                               | 135                        |
| Foreign currency rate changes        |               |               |                      |                   | -3                            | -3                         |
| <b>Transactions with owners:</b>     |               |               |                      |                   |                               |                            |
| Purchase own shares                  | -11           |               |                      |                   |                               | -11                        |
| Dividend                             |               |               |                      | -277              |                               | -277                       |
| Employee share incentive program     |               |               | 7                    |                   |                               | 7                          |
| <b>Shareholders' Equity 30.06.17</b> | <b>28</b>     | <b>2 834</b>  | <b>21</b>            | <b>576</b>        | <b>0</b>                      | <b>3 459</b>               |

The share capital as of 30.06.2017 is 55.4 million NOK

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.

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 30 June 2017 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 2016, 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 2016.

## 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 2016.

## Note 5 Earnings per share

|  | Q2 2017     | Q2 2016     | H1 2017     | H1 2016     | YE 2016     |
|--|-------------|-------------|-------------|-------------|-------------|
| Total profit ( in NOK million)   | 135         | 143         | 127         | 190         | 516         |
| Weighted average number of ordinary shares in issue                        | 138 512 123 | 138 512 123 | 138 512 123 | 138 512 123 | 138 512 123 |
| <b>Adjustment for:</b>   |             |             |             |             |             |
| Effect share options   | 2 127 812   | 1 055 790   | 2 127 812   | 1 055 790   | 985 404     |
| Weighted number of ordinary shares in issue for diluted earnings per share | 140 639 935 | 139 567 913 | 140 639 935 | 139 567 913 | 139 497 527 |
| <b>Basic Earnings per share (in NOK)</b>                                   | <b>0,97</b> | <b>1,03</b> | <b>0,92</b> | <b>1,37</b> | <b>3,73</b> |
| <b>Diluted Earnings per share (in NOK)</b>                                 | <b>0,96</b> | <b>1,02</b> | <b>0,90</b> | <b>1,36</b> | <b>3,70</b> |

## 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 four reportable geographical segments and HQ & Logistics segment. The following presents the Group's revenue by operating segment:

### Q2 2017

| <i>Amounts in NOK million</i> | Norway | Sweden | Finland | Denmark | HQ & Logistics | Total |
|-------------------------------|--------|--------|---------|---------|----------------|-------|
| Operating revenue             | 1 023  | 644    | 375     | 11      | -              | 2 054 |
| Gross profit                  | 437    | 244    | 138     | 3       | -              | 823   |
| EBITDA <sup>2</sup>           | 220    | 48     | 31      | -2      | -86            | 211   |
| Operating Income              | 208    | 39     | 26      | -2      | -99            | 172   |

### Q2 2016

| <i>Amounts in NOK million</i> | Norway | Sweden | Finland | Denmark | HQ & Logistics | Total |
|-------------------------------|--------|--------|---------|---------|----------------|-------|
| Operating revenue             | 962    | 639    | 291     | 5       | -              | 1 898 |
| Gross profit                  | 414    | 267    | 102     | 0       | -              | 783   |
| EBITDA <sup>2</sup>           | 202    | 86     | 11      | -5      | -72            | 222   |
| Operating Income              | 195    | 78     | 8       | -5      | -82            | 194   |

### 01.01.2017 - 30.06.2017

| <i>Amounts in NOK million</i> | Norway | Sweden | Finland | Denmark | HQ & Logistics | Total |
|-------------------------------|--------|--------|---------|---------|----------------|-------|
| Operating revenue             | 1 928  | 1 155  | 662     | 21      | -              | 3 767 |
| Gross profit                  | 790    | 422    | 232     | 4       | -              | 1 448 |
| EBITDA <sup>2</sup>           | 345    | 53     | 31      | -4      | -180           | 245   |
| Operating Income              | 322    | 36     | 22      | -4      | -204           | 172   |

### 01.01.2016 - 30.06.2016

| <i>Amounts in NOK million</i> | Norway | Sweden | Finland | Denmark | HQ & Logistics | Total |
|-------------------------------|--------|--------|---------|---------|----------------|-------|
| Operating revenue             | 1 844  | 1 202  | 530     | 5       | -              | 3 581 |
| Gross profit                  | 756    | 477    | 174     | 0       | -              | 1 406 |
| EBITDA <sup>2</sup>           | 343    | 131    | 5       | -5      | -151           | 323   |
| Operating Income              | 328    | 116    | -1      | -5      | -169           | 269   |

### 01.01.2016 - 31.12.2016

| <i>Amounts in NOK million</i> | Norway | Sweden | Finland | Denmark | HQ & Logistics | Total |
|-------------------------------|--------|--------|---------|---------|----------------|-------|
| Operating revenue             | 4 151  | 2 474  | 1 161   | 27      | -              | 7 813 |
| Gross profit                  | 1 764  | 959    | 392     | 3       | -              | 3 119 |
| EBITDA <sup>2</sup>           | 857    | 257    | 40      | -13     | -318           | 824   |
| Operating Income              | 819    | 224    | 27      | -13     | -360           | 697   |

The reclassification effects of wholesale margin between Sweden and Finland is shown per quarter in the tables below, first after reclassification and then the actual reported figures for 2016.

**Margin adjusted**

| <i>Amounts in NOK million</i> | <b>Q1</b>     | <b>Q2</b>     | <b>Q3</b>     | <b>Q4</b>     | <b>YTD</b>    |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Sweden Gross Margin %</b>  | <b>36,8 %</b> | <b>41,3 %</b> | <b>37,5 %</b> | <b>39,3 %</b> | <b>38,8 %</b> |
| <b>Sweden EBITDA %</b>        | 7,5 %         | 13,1 %        | 10,8 %        | 9,8 %         | 10,4 %        |
| <b>Finland Gross Margin %</b> | <b>31,2 %</b> | <b>35,9 %</b> | <b>30,3 %</b> | <b>37,1 %</b> | <b>33,8 %</b> |
| <b>Finland EBITDA %</b>       | -1,3 %        | 4,7 %         | 1,5 %         | 7,7 %         | 3,5 %         |

**Margin reported**

| <i>Amounts in NOK million</i> | <b>Q1</b>     | <b>Q2</b>     | <b>Q3</b>     | <b>Q4</b>     | <b>YTD</b>    |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Sweden Gross Margin %</b>  | <b>37,3 %</b> | <b>41,7 %</b> | <b>38,0 %</b> | <b>37,8 %</b> | <b>38,8 %</b> |
| <b>Sweden EBITDA %</b>        | 8,1 %         | 13,5 %        | 11,3 %        | 8,3 %         | 10,4 %        |
| <b>Finland Gross Margin %</b> | <b>29,9 %</b> | <b>35,1 %</b> | <b>29,1 %</b> | <b>39,9 %</b> | <b>33,8 %</b> |
| <b>Finland EBITDA %</b>       | -2,6 %        | 3,9 %         | 0,4 %         | 10,4 %        | 3,5 %         |

**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 Q2 2017. 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 2016.

## 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

#### Non – GAAP 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.

#### <sup>1)</sup> **EBIT**

Our EBIT represents operating income.

#### <sup>2)</sup> **EBITDA**

Our EBITDA represents operating income plus depreciation.

#### <sup>3)</sup> **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.

#### <sup>4)</sup> **Gross profit**

Gross profit represents operating revenue less cost of goods sold.

#### <sup>5)</sup> **Working capital**

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

#### <sup>6)</sup> **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

#### <sup>7)</sup> **OPEX**

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

#### <sup>8)</sup> **Inventory per store**

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

[www.xxlasa.com/investor](http://www.xxlasa.com/investor)

| FINANCIAL CALENDAR |            |
|--------------------|------------|
| Q3 2017 results:   | 25.10.2017 |

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