



**Lauritz.com**  
A bid better

## INTERIM REPORT JANUARY – MARCH 2019

Lauritz.com Group A/S

CVR no. 37627542

Company announcement 9 May 2019

## 2019 Highlights

### January – March 2019

- Auction Turnover growth of 3.5 percent in local currency. Growth of 1 percent in DKK.
- Average knockdown price DKK 2,447 (2,563).
- Number of knockdowns 69,985 (66,971).
- Cost level in like for like business in Q1 is reduced by 4 percent compared to last year.
- EBITDA in Q1 in like for like business is DKK 1,478k, compared to DKK 361k in 2018 and DKK 0k in 2017.
- Auction Turnover Margin<sup>1</sup> in like for like business amounted to 0,8 (0.2) percent.

### Lauritz.com Group A/S key figures

DKK million	January – March	
	2019	2018
Auction turnover	171,275	169,825
Revenue	54,150	55,150
Number of Knockdowns (excl. QXL)	69,985	66,971
Average Knockdown price (excl. QXL)	2,447	2,563
EBITDA	1,478	41,842
Auction Turnover Margin <sup>1</sup>	0.8%	23.6%
Profit	-5,990	31,942
Earnings per share	-0.147	0.783
Cash flow from operations	-20,222	-48,060

<sup>1</sup> Auction Turnover Margin = EBITDA/Auction Turnover.

## Management Comments

### Growth in Auction Turnover and improved EBITDA from operations

Lauritz.com has seen a quarter of growth in Auction Turnover of 3.5% in local currencies, equal to 1.0% consolidated in DKK. The improvements are primarily due to a very strong development in the Swedish online business under Stockholms Auktionsverk and a small increase in Denmark.

Together with cost reductions of 4 percent (like for like business) this results in the best Q1 performance from operations since the group was listed in 2016. EBITDA in 2019 is DKK 1,478k compared to DKK 361k (excluding the gain from sale of the Fine Art business in 2018 and accrual release) in 2018 and approximately DKK 0k in 2017 (excluding the fees from sale of partnership agreements and adjusting for IFRS 16).

Despite a very cyclical business with Q1 as the weakest period of the year cash flow from operations for Q1 has improved by DKK 28m compared to 2018.

We have seen an improved market demand for our products and a positive response on our financing situation, which together has made us see a change in the development to the better. Furthermore, the start of Q2 has continued this development and we foresee the positive momentum continuing during the year.

To support and strengthen the positive development we will continue the intensified sales- and marketing initiatives and further increase the focus on operations of the business.

### Commercial initiatives

A number of commercial initiatives are showing positive effect on the Q1 results. Among them an increased focus on sales management, business control and execution both internally in the headquarters and in relation to the individual auction houses.

Furthermore, all our auction houses has gone through a comprehensive optimization process in terms of logistics and handling of the auction supply chain, which has released resources for intensified sales activities.

In terms of marketing activities, we have focused on creating local activities including an increase in our outreach via focused social media, which has shown a positive effect and strengthened our presence in the local and regional communities.

Furthermore, in order to keep a high visibility in the market, we continuously and persistently communicate our standard free pickup-service and personal booking of experts for private home visits. Furthermore, we are targeting professional sellers to consign larger lot stocks, like previous season's product inventories or surplus items that are suitable for selling at auctions. The benefits of selling at auction are many for our professional sellers - some of the major benefits are massive exposure and a higher stock turnover rate as well as storage capacity, logistics and resales all being handled by the auction house.

In order to give both private and professional sellers more comfort in relation to the price they will achieve in an auction, we are working at a more flexible and individual setup for setting minimum prices and starting bid for the auction.

The reacquisition of the Fine Art business in March 2019 concluded a turbulent year for this part of the group. We are now focusing on developing this business with a strong base in the facilities at Nybrogatan in Stockholm.

### Refinancing of Bonds

The refinancing of the bonds has been agreed with the bondholders, and all legal work related to finalizing the changes is almost completed.

The impact of the refinancing will be included in Q2.

The clarification of the financing situation and the positive development in Auction turnover and profit achieved confirm our confidence in a successful development in the coming years for Lauritz.com.

**Bengt Sundström, Chairman of the board**

**Preben Vinkler Lindgaard, CFO**

## ***Lauritz.com – a pioneer in the auction industry***

### **Auctions to the people**

Lauritz.com is an international online platform selling art, design, antiquities and home luxury to international buyers. It is our vision to democratize the international auction world by making auctions accessible to everyone.

Lauritz.com was the first traditional auction house in the world to convert to online auctions. An early disruption of a very traditional market. As a first mover Lauritz.com has become a game changer driving the paradigm shift from physical to online auctions through digitalization, internationalization and industrialization of the auction industry.

### **Lauritz.com in figures**

- 26 auction houses in 6 countries
- Over 3 million customer registrations
- Over 9.000 new customer registrations monthly
- Up to 3.5 million visits monthly
- Up to 1.6 million unique visitors monthly
- Visitors from approx. 200 countries
- Around 270.000 lots sold yearly
- Typically over 10.000 lots on auction
- Approx. 1.500 new auctions starting daily
- Lot value from DKK 800 to 15 million
- Auction turnover of DKK 738m in 2018

### **This is how it works**

Lauritz.com sources items locally to sell globally. Lauritz.com has 26 physical auction houses in 6 countries. Here local sellers can consign items for auction. Sellers can also interact with the local house by getting an online evaluation, by booking an expert for a home visit or by booking Lauritz.com's pick-up service to transport items from the seller to the auction house. All items are estimated, described and photographed objectively by Lauritz.com's experts. Each lot is put up for an individual timed auction for 5 days, sold to the highest bid and shipped to the buyer. All items are presented on physical viewing in the

given local auction house during the auction period. Major collections or more expensive items are high-lighted on special theme actions. Lauritz.com offers an authenticity guaranty to avoid falsification and copies.

### **Assortment**

Lauritz.com sold over 270.000 lots on auction in 2018. The wide assortment comprises everything from luxury flee market finds to costly international art works - from DKK 800 and up. The categories cover e.g. modern and antique art and sculptures, furniture, lamps, carpets, ceramics, silver, glass, jewellery, clocks, wine, hunting equipment, collectables... Lauritz.com is exceptionally strong in modern design classics – and probably the leading auction house internationally for 20th century design furniture classics. High volumes are sold daily of the most famous furniture by Scandinavian architects as Arne Jacobsen, Wegner, Finn Juhl, Poul Kjærholm, Bruno Mathsson, Carl Malmsten etc. The modern furniture categories add up to approx. 40 percent of Lauritz.com's auction turnover.

### **Customers**

Lauritz.com's customer profile stretches from trendsetters to pensioners, students to top executives. Lauritz.com strives to create a universe that appeals to everyone, whatever their taste, budget or age. The division between men and women between customers is approx. 50/50, typically with a middle to higher income, and in age mainly between 30 to 60 years. Lauritz.com has over 3 million customer registrations and up to 3.5 million visits monthly. Customers come from approx. 200 countries.

### **Market position**

Lauritz.com focuses on the middle market segment for lots with a value between DKK 800 and 50.000. This segment positions Lauritz.com between classified platforms with high volume at low prices and the fine art market with low volume and high prices. Lauritz.com can be described as an innovative combination of Ebay and Sotheby's.

## ***Lauritz.com – a pioneer in the auction industry***

### **Business model**

Lauritz.com has a simple business model, based on a healthy premium structure. All auction items are sold in commission (which means that Lauritz.com has no inventory). When an item is sold, the buyer pays 22.5 percent in buyer's premium plus a knockdown fee of DKK 150. The seller pays 15 percent in seller's premium plus a knockdown fee of DKK 150. The buyer pays the knockdown and premiums within 3 days. Lauritz.com pays the seller within 35 days.

### **Geographical expansion**

The main key success factor in the auction business is to create a sufficient in-flow of items from local private and professional sellers to present to global buyers. Lauritz.com has a strong track record establishing physical auction houses for this vital local sourcing of items. Lauritz.com can open local auction houses in 3 ways; by opening own operations greenfield, by finding local partners to start in a franchise-like model or by acquiring regional auction houses to convert their traditional physical auctions to online auctions. Germany is considered the next growth market with a potential of up to 20 Lauritz.com houses (at present 3). Furthermore, UK is an attractive market to open on long term for local consignments in up to 10 major cities.

### **Scalable platforms**

Lauritz.com's platforms - and head-quarter set-up - is highly scalable as to; increasing the number of items on auction, increasing online traffic, establishing new auction houses and opening new countries. Lauritz.com already exist in 6 languages, and more can be added.

### **Business opportunities**

Many opportunities are still to be explored and possibly launched. E.g. management sees a considerate potential in; introducing a 'Buy now at fixed price' feature, increasing the number of new-produced items on auction (from design producers/retailers), shortening payment time to sellers, a new payment service, optimizing even quicker/cheaper shipment to buying customers,

introducing adds on the platforms and offering new products like consumer loans.

### **Owners**

Lauritz.com Group A/S is since 22 June 2016 listed on Nasdaq First Premier Stockholm with the ticker LAUR. The largest shareholders of Lauritz.com Group A/S is founder Bengt Sundström and Mette Rode Sundstrøm.

## Auction Turnover

In local currency Auction Turnover increased 3.5 percent compared to last year. Auction Turnover amounted to DKK 171.3m (169.8), corresponding to an increase of 0.9 percent when consolidated into DKK. The increase is primarily driven by strong growth in the online business in Sweden and a small improvement in Denmark. For the Fine Art business the timing of auctions has been changed, impacting Q1 negatively as some activities have been moved to Q2. The increase in Auction Turnover is driven by a higher number of knockdowns of 69,985 (66,971) and unchanged average knockdown price in local currency in Q1 2019 compared to Q1 2018.

## Revenue

Revenue amounted to DKK 54.2m (55.2). The decrease is primarily due to depreciation of the Swedish krone, rental income in Rovsingegade in 2018 and change in the geographical split with a higher share of the revenue in Sweden in 2019 where fee income is slightly lower than in Denmark and Germany seen in relation to knockdowns.

## EBITDA and Auction Turnover margin

EBITDA amounted to DKK 1.5m (41.8). The decrease is primarily due to the gain from the sale of the Fine Art business in 2018 DKK 40.0m. For like for like business EBITDA in 2018 Q1 was DKK 0.4m, and the increase is primarily due to cost reductions of 4 percent compared to 2018.

The Auction Turnover Margin amounted to 0.8 (0.2) percent for the like for like business.

## Operating profit

Operating profit/loss for the period amounted to DKK -4.3m (34.5), the change is primarily due to the gain from sale of Fine Art included in 2018.

## Net financials

Net financials was DKK -3.0m (5.6). Net financials mainly consists of interest on the issued bond DKK 3.8m (4.4) as well as calculated interest on leasing contracts DKK 0.3m (0.2) and exchange gain/loss on the bond debt DKK 2.9 (10.4).

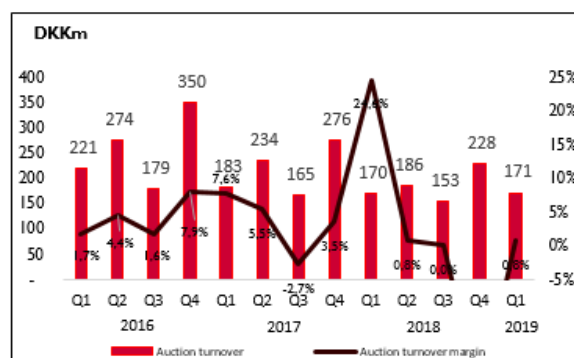
## Tax

Tax amounted to DKK 1.3m (-8.1), corresponding to an effective tax rate of 17.5 percent (20.3).

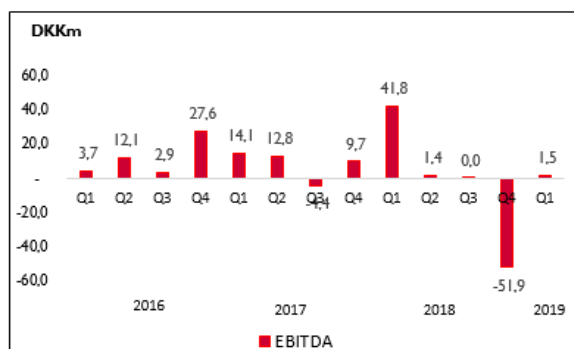
## Profit for the period and earnings per share

Profit for the period was DKK -6.0m (31.9). Earnings per share amounted to DKK -0.147 (0.783).

### Auction turnover and margin development



### EBITDA development



## Cash flow

Cash Flow from operations for Q1 was DKK -20.2m (-48.1). The Cash flow in Q1 2019 is mainly impacted by a lower amount payable to sellers at the end of the period.

## Financial position, cash and cash equivalents

Equity will be restored when the DKK 80m impact from the reduction of the bond debt becomes effective in 2019. At the end of the quarter equity was DKK -48,5m (-41.6) and the group's total assets were DKK 339.1m (340.7). The equity/assets ratio is -14.3 percent (-12.2).

Cash and cash equivalents amounted to DKK 21.3m (50.0).

## Investments

Investments amounted to DKK -5.4m (41.4m), due to investments in software development and acquisition of 51 percent of the Fine Art business.

## 1 October – 31 December 2018

### Human resources

The average number of full-time employees in Lauritz.com Group A/S and its subsidiaries (FTE) was 136 (150) in the period.

### Shares

The number of shares registered is 40.792.542.

### Risks and uncertainty factors

Significant operating, external and financial risks and uncertainty factors are described in detail in the prospectus for Lauritz.com that was signed by the Board of Directors 14 June 2016 on page 48-49 and 54-65. Lauritz.com does not consider that any significant risks additional to those described in the prospectus have arisen.

### Event after the end of the period

No events have occurred after the balance sheet date that could have a material influence on the company's financial position.

### Future prospects

Revenue is expected to increase by 5-7 percent compared to 2018.

The EBITDA for 2019 is expected to be DKK 15-25m.

EBT for 2019 will be impacted positively by the DKK 80m impact from the restructuring of the bond debt.

All numbers are based on exchange rates at the end of Q1 2018.

### Lauritz.com

On occasion, Lauritz.com Group A/S is referred to as Lauritz.com. In this Report, such references are to Lauritz.com Group A/S's consolidated financial statements, unless clearly stated otherwise.

### Finance

The Group is partly funded by a bond debt, which amounted to DKK 227.4m (229.7). The bond is a senior secured bond of SEK 325m listed on Nasdaq in Stockholm with an 3M Stibor + 7.5 percent interest 2014/2019.

In February 2019 an agreement has been reached with the bondholders to restructure the bond as described in Note 10.

Following the changes the bond debt will be reduced by SEK 118m (DKK 84m) to SEK 200m (DKK 143m), and the interest rate will be reduced from STIBOR +7,5 percent on the full amount to a fixed rate of 4 percent on SEK 130m, and 7.5 percent on SEK 70m.

### Seasonality

Lauritz.com's net revenue and profitability are affected by the nature of operations. The seasonality of the business is that Q2 and Q4 stronger quarter than Q1 and Q3.

### Parent company

Lauritz.com Group A/S, being the parent company, is listed on Nasdaq First North Premier in Stockholm and the company is a holding company owning 100 % of Lauritz.com A/S group whose operations primarily are online auctions.

## Statement by Management on the Interim Report

The Board of Directors and the Executive Management have today discussed and approved the Interim Report of Lauritz.com Group A/S for the period 1 January to 31 March 2019.

The Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements governing Interim Reports of listed companies.

In our opinion, the Interim Report gives a true and fair view of the group's financial position at 31 March 2019 and of the results of its operations and cash flows for the period 1 January to 31 March 2019.

In our opinion, the management commentary contains a fair review of the development of the group's business and financial matters, the results for the period and of the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the group faces.

The Interim Report has not been audited or reviewed by the Company's auditor.

Søborg, 09 May 2019

**Executive Management:** Preben Vinkler Lindgaard, CFO; Thomas Rantzau Steensgaard, CCO

**Board of Directors:** Bengt Olof Tony Sundström, Chairman; Claus Due Pedersen; Henrik Engmark; Mette Margrethe Rode Sundstrøm; Preben Vinkler Lindgaard

**Company auditor:** Deloitte, Statsautoriseret Revisionspartnerselskabs

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### For more information, please contact:

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### Reporting schedule

Interim Report, Q2 2019 – 15 August 2019

Interim Report, Q3 2019 – 30 October 2019



## Group financial highlights

	YTD 31.03.2019 DKK'000	YTD 31.03.2018 DKK'000	FY 2018 DKK'000	FY 2017 DKK'000	FY 2016 DKK'000
<b>Auction turnover <sup>1</sup></b>	<b>171,275</b>	<b>169,825</b>	<b>738,217</b>	<b>858,893</b>	<b>1,024,232</b>

### Statement of comprehensive income

Revenue <sup>2</sup>	54,150	55,150	227,962	297,120	320,989
Gross profit	28,736	28,875	116,517	192,814	210,138
EBITDA	1,478	41,842	- 6,060	32,104	46,309
Operating profit (EBIT)	- 4,286	34,535	- 61,135	- 7,108	31,958
Net financials	- 2,972	5,562	- 10,908	- 12,922	- 16,209
Profit before tax (EBT)	- 7,258	40,097	- 72,043	- 20,030	15,749
Tax on profit for the period	1,268	- 8,155	4,882	- 1,268	- 5,081
Profit for the period	- 5,990	31,942	- 67,161	- 21,298	10,668

### Balance sheet

Non-current assets <sup>3</sup>	226,890	252,990	184,817	228,230	289,841
Current assets	112,206	177,534	155,860	210,822	206,688
Balance sheet total	339,096	430,524	340,677	439,112	496,529
Share capital	4,079	4,079	4,079	4,079	4,067
Equity <sup>4</sup>	- 48,485	63,587	- 41,642	29,068	62,014
Non-current liabilities <sup>3</sup>	33,320	250,872	16,267	249,962	255,292
Current liabilities <sup>3,5</sup>	354,261	110,065	366,052	160,082	179,223

### Cash flows

Operating activities	- 20,222	- 48,060	- 37,321	- 7,581	- 5,167
Investing activities	- 5,412	41,432	38,643	- 9,897	90,978
Of this, investments in property, plant and equipment	- 46	- 51	35,758	- 2,138	- 6,945
Financing activities	- 2,570	- 3,191	- 9,961	600	- 52,281
Total cash flows	- 28,204	- 9,819	- 8,639	- 16,878	33,530

### Ratios:

Gross margin	53.1%	52.4%	51.1%	64.9%	65.5%
EBITDA margin	2.7%	75.9%	- 2.7%	10.8%	14.4%
Profit margin	- 7.9%	62.6%	- 26.8%	- 2.4%	10.0%
Equity ratio	- 14.3%	14.8%	- 12.2%	7.8%	12.5%
Return on equity	Negative	65.1%	Negative	- 44.1%	28.3%
Earnings per share	- 0.147	0.783	- 1.662	- 0.523	0.278
Dividend per share	0	0	0	0	0
Average number of full-time employees	136	150	140	185	204

<sup>1</sup> Auction turnover reflect activities on www.lauritz.com, mobile apps, www.hammaroauktionsverk.com and Stockholms Auktionsverk. The amount includes hammer prices, buyer's premiums exclusive of VAT and sales through LauritzOneBid.

<sup>2</sup> The effect from change in the accounting policy for revenue due to the implementation of IFRS 15 has been updated for the comparison period 2014-2017

<sup>3</sup> The effect from implementation of IFRS 16 in 2018, has not been reflected in the comparison figures 2016-2017

<sup>4</sup> Equity will be restored when the reduction of the bond debt becomes effective in 2019.

<sup>5</sup> Bond debt is included in current liabilities at 31. March 2019, following the change to the bond terms the main part of bond debt will have maturity after 12 month, see note 10.

## Statement of comprehensive income

Notes	Group				
	Q1 2019 DKK'000	Q1 2018 DKK'000	Full year 2018 DKK'000	Full year 2017 DKK'000	
3	Revenue	54,150	55,150	227,962	195,683
	Direct costs	- 25,414	- 26,275	- 111,445	- 10,776
	<b>Gross profit</b>	<b>28,736</b>	<b>28,875</b>	<b>116,517</b>	<b>184,907</b>
	Other operating income/expenses	136	40,101	11,217	673
	Other external expenses	- 10,369	- 9,740	- 63,486	- 60,289
	Staff costs	- 17,025	- 17,394	- 70,307	- 93,187
	<b>EBITDA</b>	<b>1,478</b>	<b>41,842</b>	<b>6,060</b>	<b>32,104</b>
	Depreciation and amortisation	- 5,764	- 7,307	- 55,075	- 39,212
	<b>Operating profit/loss (EBIT)</b>	<b>4,286</b>	<b>34,535</b>	<b>61,135</b>	<b>7,108</b>
4	Financial income	3,391	10,988	12,910	8,466
5	Financial expenses	- 4,797	- 5,426	- 21,271	- 21,388
	Share of result in associated companies	- 1,566	-	- 2,547	-
	<b>Profit/Loss before tax (EBT)</b>	<b>7,258</b>	<b>40,097</b>	<b>72,043</b>	<b>20,030</b>
6	Tax on profit/loss for the period	1,268	- 8,155	4,882	- 1,268
	<b>Profit/Loss for the period</b>	<b>5,990</b>	<b>31,942</b>	<b>67,161</b>	<b>21,298</b>
	<b>Items that can be reclassified to profit or loss:</b>				
	Exchange adj., foreign companies	- 853	- 2,909	- 3,473	- 6,762
	Tax, other comprehensive income	-	-	-	-
	<b>Other comprehensive income</b>	<b>853</b>	<b>2,909</b>	<b>3,473</b>	<b>6,762</b>
	<b>Comprehensive income</b>	<b>6,843</b>	<b>29,033</b>	<b>70,634</b>	<b>28,060</b>
12	Earnings per share	- 0.147	0.783	- 1.662	- 0.523
12	Earnings per share, diluted	- 0.147	0.783	- 1.662	- 0.523

## Balance sheet

	Group 31.03.2019 DKK'000	Group 31.12.2018 DKK'000
<b>Assets</b>		
<b>Notes</b>		
<b>Non-current assets</b>		
7 Software in process of development	5,572	3,741
7 Fully developed software	9,608	11,199
7 Rights acquired	50,211	29,542
7 Goodwill	<u>104,434</u>	<u>94,818</u>
Total intangible assets	<u>169,825</u>	<u>139,300</u>
8 Right-of-use assets	35,327	12,937
8 Other fixtures and fittings, tools and equipment	<u>7,060</u>	<u>7,793</u>
Total property, plant and equipment	<u>42,387</u>	<u>20,730</u>
Deferred tax	11,976	11,084
Deposits	2,702	2,702
Investments in associated companies	<u>-</u>	<u>11,001</u>
Total financial assets	<u>14,678</u>	<u>24,787</u>
<b>Total non-current assets</b>	<b><u>226,890</u></b>	<b><u>184,817</u></b>
<b>Current assets</b>		
Inventories	<u>809</u>	<u>772</u>
9 Trade receivables	11,797	13,823
9 Contractual receivables	51,506	62,085
Tax receivable	4,958	3,396
9 Other current receivables	<u>21,822</u>	<u>25,822</u>
Total receivables	<u>90,083</u>	<u>105,126</u>
Cash and cash equivalents	<u>21,314</u>	<u>49,962</u>
<b>Total current assets</b>	<b><u>112,206</u></b>	<b><u>155,860</u></b>
<b>Total assets</b>	<b><u>339,096</u></b>	<b><u>340,677</u></b>

## Balance sheet

### Equity and liabilities

<u>Notes</u>	<u>Group 31.03.2019 DKK'000</u>	<u>Group 31.12.2018 DKK'000</u>
<b>Equity</b>		
Share capital	4,079	4,079
Other reserves	- 20,810	- 19,957
Retained earnings	- 31,754	- 25,764
<b>Total equity</b>	<b>- 48,485</b>	<b>- 41,642</b>
<b>Liabilities</b>		
Deferred tax	9,286	9,729
Lease liabilities	<u>24,034</u>	<u>6,538</u>
Total non-current liabilities	<u>33,320</u>	<u>16,267</u>
10 Bond debt	227,413	229,673
Lease liabilities	11,801	6,728
Trade payables	86,686	105,885
Other payables	27,604	22,404
Corporate tax payable	<u>757</u>	<u>1,362</u>
Total current liabilities	<u>354,261</u>	<u>366,052</u>
<b>Total liabilities</b>	<b><u>387,581</u></b>	<b><u>382,319</u></b>
<b>Total equity and liabilities</b>	<b><u>339,096</u></b>	<b><u>340,677</u></b>

## Statement of changes in equity

	Share capital	Reserve for treasury shares	Reserve for exchange rate adjustments	Retained earnings	Total Equity
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 1 January 2019	4,079	-	-19,881	-25,764	-41,642
Profit/Loss for the year	-	-	-	-5,990	-5,990
Other comprehensive income	-	-	-853	-	-853
	4,079	-	-20,734	-31,754	-48,485
Dividend distributed	-	-	-	-	-
<b>Equity at 31 March 2019</b>	<b>4,079</b>	<b>-76</b>	<b>-20,734</b>	<b>-31,754</b>	<b>-48,485</b>
<b>Equity at 1 January 2018</b>	<b>4,079</b>	<b>-</b>	<b>-16,408</b>	<b>41,397</b>	<b>29,068</b>
Profit/Loss for the year	-	-	-	-67,161	-67,161
Other comprehensive income	-	-	-3,473	-	-3,473
	4,079	-	-19,881	-25,764	-41,566
Buy-back share program	-	-851	-	-	-851
Remuneration distributed	-	775	-	-	775
Dividend distributed	-	-	-	-	-
<b>Equity at 31 December 2018</b>	<b>4,079</b>	<b>-76</b>	<b>-19,881</b>	<b>-25,764</b>	<b>-41,642</b>

Equity will be restored when the reduction of the bond debt becomes effective in 2019, impacting Equity positively by 80m after transaction cost and tax.

## Cash flow statement

	<b>Group 31.03.2019 DKK'000</b>	<b>Group 31.03.2018 DKK'000</b>
<b>Operating profit (EBIT)</b>	- 4,287	- 34,535
Depreciation and amortisation	5,782	7,307
Impairments and losses on receivables	-	-
Increase/decrease in inventories	- 37	48
Increase/decrease in receivables	- 86	11,984
Increase/decrease in trade payables and other payables	- 22,213	- 53,749
Gain on sale of non-current assets, net	-	39,981
Other adjustments	<u>5,284</u>	<u>633</u>
Cash flows from ordinary operating activities	- 15,557	- 40,489
Interest received	489	601
Interest paid	- 3,976	- 4,921
Income tax paid incl. joint taxation arrangement	<u>- 1,178</u>	<u>- 3,251</u>
<b>Cash flows from operating activities</b>	<b><u>- 20,222</u></b>	<b><u>- 48,060</u></b>
Purchase of property, plant and equipment	- 46	- 51
Sale of property, plant and equipment	-	-
Purchase of intangible assets	- 1,831	- 933
Sale of assets held for sale	-	35,000
14 Acquisitions and divestments	<u>- 3,535</u>	<u>7,416</u>
<b>Cash flows from investing activities</b>	<b><u>- 5,412</u></b>	<b><u>41,432</u></b>
Repayment, lease liabilities	- 2,570	- 3,191
Payment for buy-back of shares	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>	<b><u>- 2,570</u></b>	<b><u>- 3,191</u></b>
Net cash flows for the year	- 28,204	- 9,819
Net capital resources, beginning of year	49,962	60,124
Exchange rate adjustment of capital resources	<u>- 444</u>	<u>- 1,609</u>
<b>Net capital resources, end of year</b>	<b><u>21,314</u></b>	<b><u>48,696</u></b>
Net capital resources, end of period, are composed as follows:		
Cash and cash equivalents	21,314	48,696
Interest-bearing short-term bank loans	<u>-</u>	<u>-</u>
<b>Net capital resources, end of period</b>	<b><u>21,314</u></b>	<b><u>48,696</u></b>

### 1. Accounting policies

The interim report of Lauritz.com Group A/S is presented as condensed financial statements pursuant to IAS 34, *Interim Financial Reporting*, as adopted by the EU, and other Danish disclosure requirements. No interim report has been prepared for the Parent. The interim financial statements are presented in Danish kroner (DKK), which is the Parent's functional currency.

The group has one operating segment, "auctioning". As the group's activities expand, Management regularly assesses internal financial management reporting and whether it would be relevant to report additional segments.

Except as specified below, the interim financial statements have been prepared consistently with the accounting policies applied to the 2018 consolidated financial statements, which are in accordance with International Financial Reporting Standards as adopted by the EU. We refer to the 2018 annual report for a more detailed description of the accounting policies, including definitions of the disclosed financial ratios.

### 2. Unusual circumstances and changes in accounting estimates

Several financial statement items cannot be measured with certainty, they can only be estimated. Such estimates comprise assessments based on the latest information available at the time of financial reporting. It may be necessary to revise previous estimates due to changes in the affairs and conditions underlying the estimate or due to new information, further experience or subsequent events.

The interim financial statements for the period 1 January to 31 March 2019 are not influenced by unusual items or changes in accounting estimates.

	<b>Group 31.03.2019 DKK'000</b>	<b>Group 31.03.2018 DKK'000</b>
<b>3. Revenue</b>		
Auction commissions and fees etc.	52,195	53,099
Other fees, marketing contribution etc.	1,955	2,051
Fees from sales of partnership agreements	<u>0</u>	<u>0</u>
	<b><u>54,150</u></b>	<b><u>55,150</u></b>
<b>4. Financial income</b>		
Interest income	489	601
Interest income from group enterprises	<u>-</u>	<u>-</u>
Interest income from financial assets	<b>489</b>	<b>601</b>
Exchange rate gains	<u>2,902</u>	<u>10,387</u>
	<b><u>3,391</u></b>	<b><u>10,988</u></b>
<b>5. Financial expenses</b>		
Interest expenses	75	94
Interest expenses, lease liabilities	326	266
Bank charges etc.	136	152
Financial expenses, bond debt	3,768	4,409
Amortisation of borrowing costs, bond debt	<u>492</u>	<u>505</u>
Interest expenses from financial liabilities	<b>4,797</b>	<b>5,426</b>
Exchange rate losses	<u>-</u>	<u>-</u>
	<b><u>4,797</u></b>	<b><u>5,426</u></b>

#### 6. Tax on profit/loss for the period

The tax recognised in the income statement for the interim period has been calculated on the basis of the earnings before tax and an estimated effective tax rate for 2019. The estimated effective tax rate for Danish enterprises is 22.0 percent (2018: 22.0 percent). For foreign enterprises, the current tax rate in the country in question is used. No tax on other comprehensive income has been recognised for the period.

For information on the request for the reopening of the tax assessment regarding the property placed at Rovsingsgade 64-68, we refer to the Annual Report 2017, p. 47.



## 7. Intangible assets (DKK'000)

	Software in process of development	Developed software	Acquired rights	Goodwill
Cost at 1 January 2019	3,805	53,017	48,207	126,291
Exchange rate adjustments	-	29	185	1,533
Additions from subsidiaries/activities acquired	-	-	21,766	11,149
Additions	1,831	-	-	-
Transferred	-	-	-	-
<b>Cost at 31 March 2019</b>	<b>5,636</b>	<b>53,045</b>	<b>69,788</b>	<b>135,907</b>
Amortisation at 1 January 2019	-	41,818	17,465	-
Impairment losses at 1 January 2019	64	-	1,200	31,473
Exchange rate adjustments	-	28	104	-
Amortisation for the period	-	1,591	1,016	-
<b>Amortisation and impairment losses at 31 March 2019</b>	<b>64</b>	<b>43,437</b>	<b>19,577</b>	<b>31,473</b>
<b>Carrying amount at 31 March 2019</b>	<b>5,572</b>	<b>9,608</b>	<b>50,211</b>	<b>104,434</b>

	Software in process of development	Developed software	Acquired rights	Goodwill
Cost at 1 January 2018	17,753	41,710	66,278	137,003
Exchange rate adjustments	-	8	2,105	4,356
Additions	4,369	-	6,971	-
Disposal	- 6,483	519	22,937	6,356
Transferred	- 11,834	11,834	-	-
<b>Cost at 31 December 2018</b>	<b>3,805</b>	<b>53,017</b>	<b>48,207</b>	<b>126,291</b>
Amortisation at 1 January 2018	-	35,082	14,086	-
Impairment losses at 1 January 2018	6,547	12	1,200	-
Exchange rate adjustments	-	-	227	-
Disposals	- 6,483	517	578	-
Amortisation for the period	-	7,265	4,184	-
Impairment losses for the period	-	-	-	31,473
<b>Amortisation and impairment losses at 31 December 2018</b>	<b>64</b>	<b>41,648</b>	<b>18,665</b>	<b>31,473</b>
<b>Carrying amount at 31 December 2018</b>	<b>3,741</b>	<b>11,199</b>	<b>29,542</b>	<b>94,818</b>

**7. Intangible assets (continued)**

Software includes development projects for IT systems and processes in progress. Apart from goodwill and trademarks, all other intangible assets are regarded as having determinable useful lives over which the assets are amortised, see accounting policies. The carrying amount of trademarks without determinable useful lives totals DKK 21.6m at 31 March 2019 (31.12.2018: DKK 1.0m).

Acquired enterprises are integrated in the Group as soon as possible to realise synergy effects in the business areas. Consequently, it is generally not possible after a short period to trace and measure the value of goodwill in the individual units or enterprises. The impairment test is therefore made at group level.

At 31 December 2018, Management has tested the carrying amount of goodwill, software in process of development and other intangible assets for impairment. Taking into account the recent performance and more prudent expectations the carrying amount exceeded the recoverable amount, resulting in an impairment of DKK 31.5m. An impairment test is performed in the event of indication of impairment and at least once a year as part of the presentation of the Annual Report.

The key assumptions underlying the calculation of value in use are the determination of EBITDA growth, discount rate and terminal value growth rate.

EBITDA growth is determined based on historical EBITDA realized in the period immediately prior to the beginning of the budget period, adjusted for non-recurring expenses, expected market developments and enterprises acquired and divested. For the 2019 budget period, this is equivalent to an annual EBITDA growth rate of approx. 10 percent from 2019 to 2023.

EBITDA growth is related to the development in auction turnover, equivalent to an annual average growth rate of approx. 3 percent during the budget period from 2019 to 2023. When determining investments, the effect of EBITDA growth is included based on historical experience, equivalent to an investment level of approx 15-20 percent of budgeted EBITDA. The effect of expected acquisitions is not included at investment level.

The discount rate is determined based on the Company's marginal borrowing rate plus a risk premium that reflects the risk involved in investing in shares and the risk involved in the activity performed, equivalent to a pre-tax discount rate of 12.8 percent (2018: 12.8 percent).

The terminal value growth rate of 2 percent p.a. is based on estimated economic growth.

## 7. Intangible assets (continued)

### Sensitivity analysis

A sensitivity analysis has been performed of the main assumptions in the impairment test to identify the impact of a change in the discount rate and the growth rate in the budget period for the cash-generating unit.

A summary of sensitivity analysis is shown below (all other assumptions unchanged):

	Change in assumption	Additional impairment
Average EBITDA-growth for 2019 to 2023	-1 %	5.7m
WACC, pre-tax	+1 %	13.6m
Terminal growth	-1 %	11.9m

## 8. Property, plant and equipment (DKK'000)

	Right-of-use Assets	Other fixtures etc.
Cost at 1 January 2019	22,376	26,722
Exchange rate adjustments	-	64
Remeasuring of lease liabilities	9,394	-
Additions	15,633	46
Disposal	<u>- 214</u>	<u>-</u>
<b>Cost at 31 March 2019</b>	<b><u>47,189</u></b>	<b><u>26,704</u></b>
Depreciation at 1 January 2019	9,439	18,929
Exchange rate adjustments	-	23
Depreciation for the year	2,423	738
Depreciation related to disposals	<u>-</u>	<u>-</u>
<b>Depreciation at 31 March 2019</b>	<b><u>11,862</u></b>	<b><u>19,644</u></b>
<b>Carrying amount at 31 March 2019</b>	<b><u>35,327</u></b>	<b><u>7,060</u></b>
	<b>Right-of-use Assets</b>	<b>Other fixtures etc.</b>
Cost at 1 January 2018	-	36,890
Additions due to changes in accounting policies	40,068	-
Exchange rate adjustments	-	569
Additions	-	360
Disposal	<u>- 17,692</u>	<u>- 9,959</u>
<b>Cost at 31 December 2018</b>	<b><u>22,376</u></b>	<b><u>26,722</u></b>
Depreciation at 1 January 2018	-	24,355
Exchange rate adjustments	-	350
Depreciation for the period	9,439	2,372
Depreciation related to disposals	<u>-</u>	<u>- 7,448</u>
<b>Depreciation at 31 December 2018</b>	<b><u>9,439</u></b>	<b><u>18,929</u></b>
<b>Carrying amount at 31 December 2018</b>	<b><u>12,937</u></b>	<b><u>7,793</u></b>

Additions/depreciation related to right-of-use assets arise from the implementation of IFRS 16. Depreciation is straight-line on basis of the underlying contracts which are 1-7 years.

## 9. Receivables

	<b>Group 31.03.2019 DKK'000</b>	<b>Group 31.12.2018 DKK'000</b>
Trade receivables	11,797	13,823
Contractual receivables	51,506	62,085
Other receivables	<u>21,822</u>	<u>16,644</u>
	<b><u>85,125</u></b>	<b><u>92,552</u></b>

Contractual receivables relate to the sale of 10 partnership agreements. The contractual receivables from sale of partnerships agreements are in the range of DKK 1.0m to DKK 21.6m. Receivables from sale of partnership agreements are interest bearing except one (DKK 12.3m), which has been recognized at discounted value (discounted by 4 percent). The repayment of the receivables is based on performance and repaid on a monthly or quarterly basis. Contractually Lauritz.com has various possibilities to collect the receivable up to and including the option of taking over the branch.

Of the contractual receivables DKK 45.7m (2018: DKK 45.8m) is expected to mature after 12 months. Impairment of trade receivables and other receivables is made based on expected credit loss. In Q1 2019 a loss of DKK 0,0m has been recognized (2018: DKK 20,0m).

The impairment test performed on the receivables from sale of partnership agreements is based on the expected performance, the historic track record for repayments and the expected resale value of the auction house. A large part of the receivables are related to partners buying their auction house in recent years, with expected strong improvements in the first years of their ownership. Improvements are coming slower than previously expected, resulting in the impairment recognised in Q4 2018. No significant changes in these receivables have been recognised in 2019.

The impairment losses included in the receivables listed above have developed as follows:

	<b>Group 31.03.2019 DKK'000</b>	<b>Group 31.12.2018 DKK'000</b>
<b>Lifetime Expected Credit Loss:</b>		
Impairment losses at 1 January	19,965	5,169
Impairment losses for the period	-	19,965
Realised for the period	- 4,505	- 5,169
Reversed impairments	<u>-</u>	<u>-</u>
Impairment losses end of period	<b><u>15,460</u></b>	<b><u>19,965</u></b>

**9. Receivables (continued)**

The Group has no significant credit risks in trade receivables related to a single customer or market. Impairment of trade receivables is based on a provision matrix based on historical losses adjusted for specific and general changes in circumstances.

The Group has credit risks related to contractual receivables and other receivables as described above. In determining the expected credit losses for these assets impairments are made if the receivables shows indication of impairment.

**10. Bond debt**

The Group issued listed corporate bonds on 17 June 2014 with a principal amount of SEK 375m (or DKK 294.6m) and on 30 September 2014 with a principal amount of SEK 50m (or DKK 39.4m). The bonds carry interest at 3M STIBOR + 750 bps and are redeemed at par after five years from the date of issue. The corporate bond is listed on the NASDAQ OMX Stockholm.

On 18 July 2016, Lauritz.com A/S repaid part of the bond loan for DKK 82.2m, equivalent to SEK 100m and a redemption price of 104 plus interest. After this partial repayment, the principal amount of the bond debt was reduced to SEK 325m. Lauritz.com A/S has on 16 September 2016 acquired approx. 2.4 percent of the issued bonds for SEK 7.6m (or DKK 5.9m). The bonds were acquired at rate 99.25.

The fair value of the bonds amounts to DKK 210.7m at 31 March 2019 based on the last trade made on 30 August 2017. Of this Lauritz.com A/S holds bonds with a fair value amounting to DKK 5.1m.

On 25 February 2019 bondholders has agreed to a restructuring of the bonds entailing the following changes:

- Write down of the outstanding principal amount from SEK 325m to SEK 200m.
- Amendment of the interest rate from a floating rate of STIBOR +7.5 percent to a blended rate where SEK 70m of the principal amount bears a fixed rate of 7.5 percent and SEK 130m of the principal amount bears a fixed rate of 4 percent. Redemptions will first lead to a reduction of the principal amount that bears the higher interest rate of 7.5 percent.
- Extension of the final redemption date from 17 June 2019 to 17 December 2024, with scheduled yearly redemptions.
- The provisioning of additional security to secure the bonds, primarily in form of a pledge in the vineyard Chateau Vignelaure, owned by the main shareholder in Lauritz.com Group A/S, Bengt Sundström. The agreed changes to the bonds will enter into force when the additional securities has been perfected (registration of pledges etc.).
- Obligation of Lauritz.com A/S to pursue divestment of certain auction houses, including establishment of partnership agreements with royalty payments to Lauritz.com. Any cash obtained from such divestments shall be applied as an extraordinary redemption on the bonds.
- Deletion of the obligation to fulfill the financial covenants, and a waiver of the existing financial covenants for the period until the new terms enter into force.

## 11. Financial risks

### Currency risks

The Group's currency risks are primarily hedged by matching payments received and made in the same currency. The difference between ingoing and outgoing payments denominated in the same currency is a measure of currency risk. The Group's currency exposure at 31 March 2019 is specified below.

2019 (DKK'000)	Cash and cash equivalents	Receivables	Bond debt	Other liabilities	Net position
NOK	288	106	-	-512	-118
EUR	1,142	12,030	-	-4,688	8,484
SEK	10,947	17,330	-227,413	-80,934	-280,070
<b>31 March 2019</b>	<b>12,377</b>	<b>29,466</b>	<b>-227,413</b>	<b>-86,134</b>	<b>-271,704</b>

2018 (DKK'000)	Cash and cash equivalents	Receivables	Bond debt	Other liabilities	Net position
NOK	122	100	-	-476	-255
EUR	3,236	11,403	-	-6,265	8,375
SEK	37,440	34,312	-229,673	-74,215	-232,134
<b>31 December 2018</b>	<b>40,798</b>	<b>45,815</b>	<b>-229,673</b>	<b>-80,956</b>	<b>-224,014</b>

The bonds issued are issued in SEK and so the principal amount is subject to exchange rate fluctuations between the Company's functional currency (DKK) and SEK. A 5 percent change in the SEK rate at 31 March 2019 would affect comprehensive income and equity by approx. DKK 4m (31.12.2018: DKK 4m). The sensitivity analysis shows the difference between the 31 March 2019 fair value calculated for the Group's assets and liabilities denominated in SEK.

### Interest risks

The Group has interest-bearing financial assets and liabilities and so it is affected by interest rate fluctuations. Fluctuations in the level of interest rates affect the Group's floating-rate bond debt. An increase in the interest rate level of 1 percentage point per annum compared to the interest rate level at the balance sheet date would have had a negative impact of approx. DKK 2m (31.12.2018: DKK 2m) on comprehensive income and equity. A similar decline in the interest rate level would have resulted in an equivalent positive effect on comprehensive income and equity. We refer to the new conditions of the bond debt interest in note 10 coming into effect from 2019, eliminating the interest risk described above.

**11. Financial risks (continued)****Liquidity risks**

The following table detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Group may be required to pay.

<b>2019 (DKK'000)</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
Bond debt	227,413	-	-	-	227,413
Lease liabilities	6,088	5,713	23,448	586	35,835
Other liabilities	114,568	479	-	-	115,047
<b>31 March 2019</b>	<b>348,069</b>	<b>6,192</b>	<b>23,448</b>	<b>586</b>	<b>378,295</b>

We refer to the new conditions of the bond debt maturity in note 18 coming into effect in 2019.

Based on the new conditions for the bond the maturity profile for the liabilities can be presented as follows:

<b>Proforma 2019 (DKK'000)</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
Bond debt	-	14,358	107,685	21,537	143,580
Lease liabilities	6,088	5,713	23,448	586	35,835
Other liabilities	114,568	479	-	-	115,047
<b>31 March 2019</b>	<b>120,656</b>	<b>20,550</b>	<b>131,133</b>	<b>22,123</b>	<b>294,462</b>

<b>2018 (DKK'000)</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
Bond debt	229,673	-	-	-	229,673
Other liabilities	138,196	3,016	6,002	525	147,139
<b>31 December 2018</b>	<b>367,869</b>	<b>3,016</b>	<b>6,002</b>	<b>525</b>	<b>377,412</b>

The Group aims to have adequate cash resources to continuously carry out transactions appropriately as regards operations and investments. The Group's cash reserve consists of cash and cash equivalents. The Group's liquidity is mainly based on operating profits and the difference between the time of payment and the time of settlement. The time allowed for payment by buying customers is three days, and payment to selling customers takes place within approx. 35 days. In order to maintain the current liquidity level, the Group is therefore dependent on continued growth and positive earnings. Management assesses the Group's liquidity requirements on a regular basis.



**11. Financial risks (continued)****Credit risks**

The Group is not exposed to significant credit risks on trade receivables as all items are handed in on a commission basis, and items from auctions are not handed out until payment has been made. Payments are mostly effected by way of credit cards or bank transfer. The Company has only experienced few cases of credit card fraud. Moreover, reputable collaborators are used for managing cash flows, mainly Valitor, ALTAPAY, Danske Bank, SEB and DNB. Credit risks related to receivables from sale of partnership agreements are handled contractually, see note 9.

**Other**

The Group regularly assesses its capital structure with a view to ensuring adequate equity in the Company.

**12. Earnings per share (EPS)**

	<b>Group 31.03.2019 DKK'000</b>	<b>Group 31.12.2018 DKK'000</b>
Profit/Loss for the year	- 5,990	- 67,161
Number of shares	40,791,312	40,791,312
Average number of shares in circulation	40,703,485	40,409,360
EPS at DKK 0.10	- 0.147	- 1.662
EPS at DKK 0.10 diluted	- 0.147	- 1.662

**13. Dividend**

For 2018, DKK 0 in ordinary dividend has been distributed to the shareholders of Lauritz.com Group A/S, equalling DKK 0 per share (2017: DKK 0 per share).

For the financial year 2018, the Board of Directors has proposed dividend of DKK 0k, corresponding to DKK 0 per share.

## 14. Acquisitions and divestments

### Acquisition in 2019

In March 2018 Lauritz.com separated Stockholms Auktionsverks Fine Art business into a separate company, AB Stockholms Auktionsverk, owned 51% by Gelba Management AB and 49% by Lauritz.com Sverige AB. A structure that both partners was expecting to be beneficial to the Fine Art business as well as to the Online business that remained under 100% Lauritz.com ownership. It has shown that the split ownership is not the optimal solution in relation to the daily operations of Stockholms Auktionsverks Fine Art business, resulting in the decision to buy back the shares from our partner.

	<b>2019</b>
	<b>DKK'000</b>
Other receivables	1,210
Cash and cash equivalents	3,638
Trade payables	- 800
Other payables	- 5,018
<b>Net assets acquired</b>	<b>- 1,119</b>
Brand value	14,587
Goodwill	11,149
<b>Total consideration</b>	<b>24,617</b>

At 31 March 2019, no part of the total consideration is recognized as contingent consideration. The Group has acquired net assets totalling DKK -1,119k including cash acquired of DKK 3,638k. Net assets acquired are based on preliminary opening balance sheets, which may be adjusted afterwards. The Group has incurred transaction costs of DKK 0k.

For this acquisition, the Group paid a purchase price that exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired. This positive difference is primarily attributable to expected synergies between the activities of the acquired enterprises and the Group's existing activities, future growth potential and the enterprises' staff. The synergies have not been recognised separately from goodwill as they are not separately identifiable.

Value of associated company 31 december 2018, 49%	11,001
Currency rate adjustment	- 275
Share of result for the period 1 January – 5 March 2019, 49%	- 1,566
Value of associated company 5 March 2019, 49%	9,160
Converted receivable (earn-out) from seller	11,922
Cash payment for 51% shares	3,535
<b>Total cost of acquisition</b>	<b>24,617</b>

**14. Acquisitions and divestments (continued)**

Of the Group's profit/loss for the Q1-2019, DKK -1,074k is attributable to AB Stockholms Auktionsverk following the acquisition. Of the Group's revenue, DKK 610k is attributable to AB Stockholms Auktionverk. Had the enterprise been acquired with effect from 1 January 2019, the Group's revenue for the year would have been affected with approx. DKK 610k and the Group's profit/loss for the year would have been affected with approx. DKK -1,630k.

**Divestments in 2018**

In March 2018, the Group disposed of Stockholms Auktionsverks Fine Art business:

	<b>Q1-2018</b>
	<b><u>DKK'000</u></b>
Consideration received in cash and cash equivalents	7,416
Shares in Gelba Partners AB (see note 16)	31,251
Contingent consideration	<u>25,111</u>
<b>Total consideration received</b>	<b>63,778</b>
Consideration received	63,778
Goodwill disposal of	- 6,356
Other net assets disposal of	<u>- 17,441</u>
<b>Gain on disposal 31 March 2018</b>	<b>39,981</b>

The gain on disposal is classified as other income in the statement of comprehensive income for 2018.

As a result of the performance in 2018, and the expected development, the value of the assets received in connection with the sale of the Fine Art business was reassessed.

The reassessment of the expected value of the Earn Out and shares received in the sale of the Fine Art business has subsequently resulted in a reduction of the gain from the Fine Art sale from DKK 40.0m to DKK 8.4m.

**15. Contingencies etc.****Contingent liabilities, consolidated financial statements**

The Group participates in an international joint taxation arrangement with Blixtz Holding A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore liable for income taxes etc. for the jointly taxed companies, which is limited to the equity interest by which the entity participates in the Group as well as for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

**16. Related parties****Related parties with a controlling interest**

The following related parties have a controlling interest in Lauritz.com Group A/S:

<b>Name</b>	<b>Registered office</b>	<b>Basis of control</b>
Blixtz Holding A/S	Herlev, Denmark	Shareholder is holding the majority of voting rights in Lauritz.com Group A/S

<b>Subsidiaries</b>	<b>Registered office</b>	<b>Ownership interest</b>
Lauritz.com A/S	Søborg, Denmark	100 %
Lauritz.com Sverige AB	Stockholm, Sweden	100 %
AB Stockholms Auktionsverk *	Stockholm, Sweden	100 %
Lauritz.com Finland OY	Helsinki, Finland	100 %
LC Danmark ApS	Søborg, Denmark	100 %
LC II ApS	Søborg, Denmark	100 %
LC III ApS	Søborg, Denmark	100 %
Helsingborgs Auktionsverk AB *	Helsingborg, Sweden	100 %
Karlstad-Hammarö Auktionsverk AB *	Skoghall, Sweden	100 %
Lauritz.com Globen AB	Stockholm, Sweden	100 %
Internetauktioner i Helsingborg AB *	Helsingborg, Sweden	100 %
Lauritz.com Deutschland GmbH	Hamburg, Germany	100 %
QXL Denmark A/S	Søborg, Denmark	100 %
QXL.no AS	Oslo, Norway	100 %

\* The company is not audited by Deloitte.

**16. Related parties (continued)**

**Transactions with related parties**

As part of the share buy-back initiated in April 2018, Lauritz.com Group A/S purchased own shares. The shares were purchased at the market price of the shares at the time of the purchase.

Lauritz.com Group A/S did not enter into any significant transactions with members of the Board or the Executive Management, except for compensation and benefits received as a result of their membership of the Board, employment with Lauritz.com Group A/S or shareholdings in Lauritz.com Group A/S.

**17. Events after the balance sheet date**

No events have occurred after the balance sheet date that could have a material influence on the company's financial position.