LAURITZ

ANNUAL REPORT

JANUARY – DECEMBER 2022

Lauritz.com Group A/S
CVR no. 37627542
Company announcement 24 March 2023

Content

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Company details

The company	Lauritz.com Group A/S	
	Dynamovej 11C	
	2860 Søborg	
	Denmark	
	Phone:	+ 45 44 50 98 00
	CVR no.:	37 62 75 42
	Incorporated:	20 April 2016
	Municipality:	Søborg
	Financial year:	1 January - 31 December
	Website:	www.lauritz.com
Contact	Preben Vinkler Lindgaard, CFO	
	E-mail: preben@lauritz.com	
Board of Directors	Bengt Sundström, Chairman	
	Tue Byskov Bøtkjær	
	Preben Vinkler Lindgaard	
Executive Management	Mette Margrethe Rode Sundstrøm, CEO	
	Preben Vinkler Lindgaard, CFO	
Independent Auditor	Beierholm	
	Statsautoriseret Revisionspartnerselskab	

The leading auction house worldwide within design furniture classics.

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.

This is how it works

Lauritz.com sources items locally to sell globally. Lauritz.com has 12 physical auction houses. Here local sellers can consign items for auction. Sellers can 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. . In 2022, Lauritz launched a Buy Now concept as a new business area presenting and selling items at fixed prices as an addition to the auction principle.

Assortment

The wide assortment comprises everything from luxury flee market finds to expensive international art works - from DKK 800 and up. The interior categories cover modern and antique art, furniture, lamps, carpets, ceramics, silver, glass, and cool collectables. Furthermore, jewellery, clocks and vintage fashion are important categories when it comes to personal luxury accessories. Finally, categories as wine, hunting equipment and classic cars are successful. 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 such 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. A part from vintage items, Lauritz's assortment also comprises a substantial amount of newly produced items coming directly from brand producers, designers and high level retailers.

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 customers 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 a contemporary combination of eBay and Sotheby's.

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 25 percent in buyer's premium plus a knockdown fee of DKK 110. The seller pays 15 percent in seller's premium plus a knockdown fee of DKK 200. The buyer pays the knockdown and premiums within 5 bank days. Lauritz.com pays the seller within 40 bank 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.

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 3 languages, and more can be added.

Sustainability

The sustainable aspect within interior decoration keeps growing even bigger year by year. Whereas obtaining international goals for climate changes can seem abstract, many consumers have by now realized – or start discovering – that you can actually make a sustainable difference in your own way in your own home.

In our view, the auction business is one of the most sustainable businesses through history. For centuries traditional auction houses have facilitated the sales of second-hand items, while Lauritz.com's platform was the first worldwide to convert sales of vintage items from physical to online auctions in 1999. The daily auctions represent a sound sustainable cycle as we make vintage treasures change hands when they leave selling customers' home to move in with a happy buying customer across generations, decades, and centuries.

Through times, auction customers have sold and bought furniture, crafts, and art mainly from an esthetical point of view and because of the interesting culture story behind each creation. In 2022, we are privileged to also welcome an additional audience; a new 'generation' of customers, understood as a new mindset community (not age). This new generation is replacing part of their purchase of new-produced products with quality vintage objects, purely because of an insisting climate agenda.

Development in profitability

In 2022 EBITDA has continued the positive development seen over the last 3 years. EBITDA in 2022 is DKK 6.4m, an increase of DKK 5.5m compared to 2021 and an improvement of DKK 12.0m compared to 2020.

The improvements have been achieved through strong focus on optimization of our operating model, simplifying the operations and reducing costs.

The improvements in EBITDA combined with lower depreciation and amortization has resulted in an Operating Profit (EBIT) of DKK 1.0m, an improvement of DKK 8.5m compared to 2021 and an improvement of DKK 15.4m compared to 2020.

Cash Flow from ordinary operating activities is DKK 5.4m, compared to DKK 4.9m in 2021. The improvement is driven by the higher EBITDA, partly offset by repayment of credits received from the Danish state during the Covid-19 period.

Financing

Towards the end of 2019 a review of the capital structure of the group has been carried out, resulting in an M&A process that commenced in April 2020 and was finalised in May 2021. The result of that process included e.g. the sale of Stockholm's Auktionsverk and the reduction of Lauritz' bond dept.

In May 2022, we received the last part of the sales proceeds (SEK 15m) from the sale of Stockholm's Auktionsverk and a payment to reduce the bond debt by SEK 15m was made, after which the remaining bond debt is DKK 94m (SEK 140m). The bond debt is now a standing loan until the maturity date in December 2024.

Equity

The Equity of the parent company of the group is negative by DKK 6.0m (7.1m) and the equity in the consolidated figures is negative by DKK 43.5m (44.9m).

Management has assessed the equity situation according to the Danish company act and is expecting to reestablish the Equity of the parent company through operating profits over the next years, and/or through additional equity financing.

Commercial initiatives

Our continued focus on sales management, marketing digitalization, product development and business optimization both in the headquarter and in all auction-houses is showing results.

Furthermore, Lauritz' new Buy Now business area was successfully launched, presenting and selling items at fixed prices. Thus, app. 30% of the auction items could also be purchased at a fixed price after the launch.

The comprehensive optimization process that all auction houses have gone through in terms of logistics and handling of the supply chain, has released resources for intensified sales activities focusing on the local evaluation and sourcing of items for sale.

In terms of marketing activities, we are continuously expanding our digital footprint; e.g. by initiating more frequent and highly targeted digital campaigns, investing in a new CRM/atomization system, introducing an innovative gamification concept etc. Initiatives resulting in an increasing online traffic to our sales platforms, and strengthening our position within international, national, and local communities interested in selling and buying sustainable vintage items of high quality.

Development in organization

The key competence of Lauritz.com is the expertise within art design and antiquities. However, we are changing the expert's roles to work in a more proactive and outgoing way. The goal is that the experts should generate more customer leads themselves by finding and contacting potential sellers for external meetings about future consignments, e.g., professional sellers, collectors, major private customers etc.

To bring Lauritz.com to the next level as to turnover and earnings on shorter and longer terms, an ambitious change of Lauritz' central management group has been completed. The new Country Manager Denmark and the new CTO onboarded in 2021 while the new CMO started in 2022. Regarding the local auction houses, several new branch managers with strong, commercial profiles have been recruited to fulfill Lauritz' strategy of upgrading management resources and skills.

As part of an optimizing project, we have decided to discontinue Lauritz head quarter's central Customer Support department as well as the so-called Concept department (defining and controlling business procedures etc.). The tasks in these 2 units have been divided between other central departments and the local auction houses, to raise efficiency and to cut costs. The Concept Department was closed in 2022 whereas the central Customer Support will be discontinued during Q2 2023.

Market position and competition landscape

As a first mover within online auctions worldwide, Lauritz.com has driven the international paradigm shift from traditional, physical auctions to online auctions through 2 decades. Significant volumes of items are being sold at Lauritz.com every day with a very strong position in the online auction industry. Over the years, we have created a unique position between classified online marketplaces and traditional auction houses. Our core concept as an international online auction marketplace for design, art, and antiques - with a high level of expertise, quality, and service – is a successful formula with a great future potential.

The main key success factor in the auction industry is continuously to secure a sufficient number of items to sell to the buying customers. Therefore, Lauritz.com's growth potential is dependent on our capability to attract items to our auction houses from local sellers to expose these items online to our global buyers.

We operate in an increasingly competitive landscape with old and new competitors increasing their efforts to reach Lauritz.com's unique position. Lauritz.com has now entered a phase in our development that requires firm actions to stay ahead of upcoming competition. Traditional auction houses have become more focused and aggressive online. New commercial platforms are popping up with fixed-price or auction concepts. Social platforms are now competing seriously within trading of second-hand items. In addition, the retail market of smaller but interesting local vintage shops is growing.

In parallel, consumer behavior has changed rapidly the last years as result of the further digitalization. Today, consumers are prioritizing convenience more than ever. Historically, Lauritz.com has been acknowledged as the most convenient auction concept, defined to be accessible and to make life as easy as possible for the customers. We are continuously adjusting our customer offerings with new commercial initiatives and services, to keep our market leading position and to stay ahead of the increasing number of alternative channels that consumers can chose when selling or buying second-hand items.

As to further potential, online trading and more specifically the trade of second-hand items is generally growing, driven by digitalization and a new customer focus on sustainability, recycling and circular economy. The increasing interest in vintage items and the consumers' adaption to online channels create an online vintage market with a substantial future potential. This market development is promising and will give room for many online players.

Development in financials

In 2022 the business of Lauritz.com group delivered EBITDA of DKK 6.4m an improvement of DKK 5.5m compared to last year.

The earnings are positively impacted by cost savings in Headquarter functions and owned auction houses, as well as from lower cost due to more auction houses now being owned and due to changes in relation to partner owned houses.

Development in Total sales

Total sales amounted to DKK 391m (429.6m) a decrease of 9.0 percent compared to last year. Total sales include revenue plus the value of items sold in commission.

The development is impacted by the closing of the auction house in Esbjerg, and the opening of an auction house in Kolding, resulting in a period with lower activity in the southern part of Jutland, impacting the Total Sales for the year negatively by 3 percentage points.

The war in Ukraine resulting in unrest and in quietude in Europe, as well as the high inflation, has resulted in buyers being more cautious and reluctant in their buying decisions, which has impacted the development in Total Sales. In the first 10 months of 2022 this impact was negative by approximately 1 percentage point. In November a significant drop in buyer activity led to a drop in Total Sales of more than 35 percent compared to 2021. This drop was coinciding with the significant increase in the electricity and heating bills received by consumers in Q4 2022. In December there was an improvement compared to November, with Total Sales being 23 percent below last year.

This significant drop was much larger than anticipated, resulting in Total Sales and Revenue guidance being adjusted down during December. The realized figures for 2022 are within this latest guidance.

Historically Lauritz has always done well during times of financial crisis in the society, with a quick rebound following an initial drop in Sales. In 2023 sales are continuing the recovery, with a development similar to what we have seen in previous times with financial crisis in the society.

Development in EBITDA

For the year revenue is 14.8 percent below last year driven by lower Total Sales, change in recognized revenue due to partner agreements, and partly offset by improvement in fees and commissions. Operating cost have been reduced significantly, with a 19.2 percent reduction.

As a result, EBITDA for 2022 is DKK 6.4m (0.9m). The DKK 5.5m improvement is primarily driven by the reduced cost and is within the earnings guidance given throughout the year.

Development in Cash Flow and other measures

Cash flow from operating activities is DKK -3.0m (-12.1m). The DKK 9.1m improvement is mainly driven by improved earnings, changes in working capital items and lower interest payments.

In the annual test of the carrying amount of goodwill, software in process of development and other intangible assets at 31.12.2022 no need for impairment has been identified.

The Total comprehensive income for the year for the continuing and discontinuing business combined shows a result of DKK 1.4m (-35.2m). Cash flow from operating activities for the year was DKK -18.0m (2.9m).

Parent company

The parent company has impaired the value of shares in subsidiaries and receivable from subsidiaries, resulting in the equity becoming negative as mentioned on page 4. Management has assessed the Equity situation and the plan for reestablishing the equity has been prepared.

Events after the balance sheet date

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

Guidance for 2023

In the annual report for 2021 our guidance for 2022 was a growth in Total Sales of 0-10 percent, growth in Revenue of 5-15 percent and EBITDA of DKK 3-8m. During the year we changed the guidance for EBITDA to DKK 5-10m, realised EBITDA for the year was DKK 6.4m. For Total Sales and Revenue, the realised growth for the year ended at -9.0 percent and -14.8 percent respectively, both below the guidance given in the 2021 annual report for 2022, but within the latest guidance given in December 2022.

Our guidance for 2023 is:

- Total Sales: Growth of 0 - 5 percent
- Operating Profit: DKK 3 - 8m
- Free Cash Flow: Slightly positive

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Total sales [1]	**390,970**	**429,647**	**419,311**	**406,546**	**757,584**
Statement of comprehensive income [2]					
Revenue	110,309	129,435	121,432	128,835	227,962
Gross profit	65,333	61,365	54,620	52,012	116,517
EBITDA	6,447	911	- 5,559	- 3,004	- 2,025
Operating profit (EBIT)	998	- 7,514	- 14,356	- 14,209	- 57,100
Net financials	477	- 6,261	- 20,501	61,945	- 12,396
Profit before tax (EBT)	1,475	- 13,775	- 34,857	47,736	- 72,043
Tax on profit for the year	- 68	5,672	6,510	7,389	4,882
Profit/Loss for the year, continued operations	1,407	- 8,103	- 28,347	55,125	N/A
Profit/Loss for the year, discont. operations	-	- 27,125	- 14,688	- 37	N/A
Profit/loss for the year, total	1,407	- 35,228	- 43,035	55,088	- 67,161
Balance sheet [3]					
Non-current assets	73,306	70,722	71,536	223,567	184,817
Current assets	42,598	75,505	67,913	113,981	155,860
Current assets, available for sale	-	-	202,280	N/A	N/A
Balance sheet total	115,904	146,227	341,729	337,548	340,677
Share capital	4,079	4,079	4,079	4,079	4,079
Equity	- 43,453	- 44,860	- 25,035	12,164	- 41,642
Non-current liabilities	103,982	112,033	5,946	25,319	16,267
Current liabilities	55,375	79,054	250,997	300,065	366,052
Current liabilities, available for sale	-	-	109,821	N/A	N/A
Cash flow [4]					
Operating activities	- 3,028	- 12,106	13,156	- 8,761	- 37,321
Investing activities	- 1,842	63,206	- 1,099	- 4,403	38,643
Of this, investments in property, plant and equipment	- 678	- 507	- 477	- 384	35,758
Financing activities	- 13,150	- 48,218	- 1,762	10,366	- 9,961
Cash flow, continuing operations	- 18,020	2,882	10,295	- 2,798	N/A
Cash flow, discontinued operations	-	- 16,816	2,685	- 8,717	N/A
Total cash flow for the year	- 18,020	- 13,934	12,980	- 11,515	- 8,639

[1] Total sales reflect activities on www.lauritz.com, mobile apps. Total sales include hammer prices and buyer's premiums and fees exclusive of VAT. Total sales for 2019-2021 showing only continuing operations. 2018 is not adjusted for discontinued operations.

[2] 2019 and 2021 Profit/Loss of continued operations only. 2018 is not adjusted for discontinued operations.

[3] 2020 and 2021 Balance sheet excluding discontinued operations. 2018-2019 are not adjusted for discontinued operations.

[4] Cash flow 2018 is not adjusted for discontinued operations.

	2022	2021	2020	2019	2018
Ratios [5]					
Gross margin	59.2 %	47.4 %	44.6 %	40.4 %	51.1 %
EBITDA margin	5.8 %	0.7 %	- 4.5 %	- 2.3 %	- 0.8 %
Profit margin	0.9 %	- 5.8 %	- 11.7 %	- 11.0 %	- 25.0 %
Equity ratio	- 37.5 %	- 30.7 %	- 7.3 %	3.7 %	- 12.2 %
Return on equity	- %	- %	- %	- %	- %
Earnings per share (EPS Basic), DKK:					
EPS Basic, continued operations	0.034	- 0.199	- 0.696	1.354	- 1.662
EPS Basic, discontinued operations	0.034	- 0.666	- 0.361	- 0.001	N/A
Dividend per share	0	0	0	0	0
Average number of full-time employees:					
Continuing operations	58	60	55	44	140
Discontinued operations	-	111	110	113	-

[5] Ratios for 2018 are not adjusted for discontinued operations.

Earnings per share are calculated according to IAS 33 (note 20). Key ratios are applied and calculated as follows:

Gross margin
$$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

EBITDA margin
$$\frac{\text{Operating profit/loss before depreciation, amortisation and impairment (EBITDA) x 100}}{\text{Revenue}}$$

Profit margin
$$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$$

Equity ratio
$$\frac{\text{Equity, year-end x 100}}{\text{Balance sheet total}}$$

Return on equity
$$\frac{\text{Profit for the year x 100}}{\text{Equity, average}}$$

Earnings per share (EPS Basic)
$$\frac{\text{Profit for the year}}{\text{Average no of shares in circulation}}$$

Dividend per share
$$\frac{\text{Dividend distributed}}{\text{Average no of shares in circulation}}$$

Management statement

The Board of Directors and the Executive Management have today discussed and approved the Annual Report of Lauritz.com Group A/S for 2022.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and cash flow for the financial year 2022.

Further, in our opinion the Management review includes a true and fair review of the development in the Group's and the Parent Company's operations and financial matters, of the result for the year and of the Group's and the Parent Company's financial position as well as describes the significant risks and uncertainties affecting the Group and the Parent Company.

We recommend that the Annual Report be approved at the General Meeting.

Copenhagen, 24 March 2023

Executive Management

Mette Margrethe Rode Sundstrøm CEO	Preben Vinkler Lindgaard CFO

Board of Directors

Bengt Sundström
Chairman

Tue Byskov Bøtkjær	Preben Vinkler Lindgaard

To the shareholders of Lauritz.com Group A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Lauritz.com Group A/S for the financial year 1 January 2022 - 31 December 2022, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to the Consolidated Financial Statements and the Parent Company Financial Statements, including a summary of significant accounting policies, for the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Parent Company operations and cash flows for the financial year 1 January 2022 - 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA's) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to pro-vide a basis for our opinion.

Material uncertainty regarding going concern assumption

Without modifying our opinion, we draw attention to the information in note 1 Going concern in which the Management accounts for the uncertainty which exists regarding the company's ability to continue as a going concern. We agree with the Management as to the description of uncertainties and the choice of accounting policies.

Statement regarding the management's review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed; we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management's Review.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of the Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor’s Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA’s and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Consolidated Financial Statements and Parent Company Financial Statements.

As part of an audit conducted in accordance with ISA’s and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of ex-pressing an opinion on the effectiveness of the Group’s and the Parent Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Parent Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Audi-tor’s Report to the related disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor’s Report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aalborg, 24 March 2023
Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Martin Ødum Madsen
State Authorized Public Accountant
MNE no. mne45893

Statement of comprehensive income 1 January - 31 December

Notes		Group 2022 DKK'000	Group 2021 DKK'000
2	Revenue	110,309	129,435
	Direct costs	- 44,976	- 68,070
	Gross profit	**65,333**	**61,365**
3	Other external expenses	- 22,028	- 22,624
4	Staff costs	- 36,858	- 37,830
	Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	**6,447**	**911**
5	Depreciation, amortisation, and impairment losses	- 5,449	- 8,824
	Operating profit/loss (EBIT)	**998**	**- 7,514**
6	Financial income	9,422	3,853
7	Financial expenses	- 8,945	- 10,114
	Profit/Loss before tax (EBT)	**1,475**	**- 13,775**
8	Tax on profit/loss for the year	- 68	5,672
	Profit/Loss for the year, continuing operations	1,407	- 8,103
9	Profit/Loss for the year, discontinued operations	-	- 27,125
	Profit/loss for the year, total	**1,407**	**- 35,228**
	Items that can be reclassified to profit or loss:		
	Other comprehensive income, from continuing operations	-	-
	Other comprehensive income, from discontinued operations:		
	Exchange adj., released to profit or loss	-	15,327
	Tax on other comprehensive income	-	-
	Other comprehensive income for the year	**-**	**15,327**
	Total comprehensive income for the year	**1,407**	**- 19,901**
	Earnings per share, continuing operations:		
20	Earnings per share (EPS), DKK	0,034	- 0,199
20	Earnings per share (EPS), diluted DKK	0,034	- 0,199
	Earnings per share, total:		
20	Earnings per share (EPS), DKK	0,034	- 0,865
20	Earnings per share (EPS), diluted DKK	0,034	- 0,865

Assets

Notes		Group 31.12.2022 DKK'000	Group 31.12.2021 DKK'000
	Non-current assets		
10	Software in process of development	358	-
10	Developed software	728	2,585
10	Rights acquired	-	-
10	Goodwill	42,456	40,546
	Total intangible assets	43,542	43,131
11	Right-of-use assets	6,833	5,486
11	Other fixtures and fittings, tools, and equipment	4,583	4,127
	Total property, plant, and equipment	11,416	9,613
12	Deferred taxes	15,829	15,893
13	Deposits	2,519	2,085
	Total financial assets	18,348	17,978
	Total non-current assets	**73,306**	**70,722**
	Current assets		
	Inventories	44	116
14	Trade receivables	2,020	645
14	Contractual receivables	7,969	32,161
14, 24	Receivables from group enterprises	18,035	17,860
14, 24	Receivables from associated enterprises	8,479	-
	Tax receivable	-	-
14	Other current receivables	3,336	3,988
	Total receivables	39,839	54,654
15	Cash and cash equivalents	2,715	20,735
	Total current assets	**42,598**	**75,505**
	Total assets	**115,904**	**146,227**

Equity and liabilities

Notes		Group 31.12.2022 DKK'000	Group 31.12.2021 DKK'000
	Equity		
	Share capital	4,079	4,079
	Reserves	-	-
	Retained earnings	- 47,532	- 48,939
	Total equity	**- 43,453**	**- 44,860**
	Liabilities		
12	Deferred taxes	901	901
17	Bond debt	93,604	101,640
16	Lease liabilities	4,771	4,174
	Other payables	4,706	5,318
	Total non-current liabilities	103,982	112,033
17	Bond debt	-	10,890
16	Lease liabilities	2,615	1,845
	Trade payables	39,125	44,308
18	Other payables	13,635	22,011
	Corporate taxes payable	-	-
	Total current liabilities	55,375	79,054
	Total liabilities	**159,357**	**191,087**
	Total equity and liabilities	**115,904**	**146,227**

Statement of changes in Consolidated Group Equity

	Share capital DKK'000	Reserve for treasury shares DKK'000	Reserve for exchange rate adjustments DKK'000	Retained earnings DKK'000	Total Equity DKK'000
Equity at 1 January 2022	4,079	-	-	- 48,939	-44,860
Profit/Loss for the year	-	-	-	1,407	1,407
Equity at 31 December 2022	**4,079**	**-**	**-**	**-47,532**	**-43,453**
Equity at 1 January 2021	4,079	-76	-15,327	-13,711	-25,035
Profit/Loss for the year	-	-	-	-35,228	-35,228
Share payment program		76			76
Other comprehensive income	-	-	15,327	-	15,327
Equity at 31 December 2021	**4,079**	**-**	**-**	**-48,939**	**-44,860**

Statement of cash flow

Notes		Group 31.12.2022 DKK'000	Group 31.12.2021 DKK'000
	Operating profit/loss (EBIT)	**998**	**-7,514**
	Depreciation amortisation and impairment losses	5,519	8,499
	Impairment and losses on receivables/payables	-121	-
	Increase/decrease in inventories	71	-4
	Increase/decrease in receivables	13,090	12,583
	Increase/decrease in trade payables and other payables	-14,170	-8,667
	Other adjustments	4	30
	Cash flow from ordinary operating activities	5,391	4,927
	Interest received	1,135	1,388
	Interest and financial expenses paid	-9,550	-18,405
	Income tax settlements	-4	-16
	Cash flow from operating activities	**-3,028**	**-12,106**
	Purchase of property, plant, and equipment	-678	-507
	Purchase of intangible assets	-1,164	-
23	Acquisitions and divestments	-	63,713
	Cash flow from investing activities	**-1,842**	**63,206**
16	Repayment, lease liabilities	-2,510	-1,732
17	Repayment, bonds	-10,640	-33,111
17	Repayment, senior loan	-	-13,375
	Cash flow from financing activities	**-13,150**	**-48,218**
	Net change in cash flow for the year	**-18,020**	**2,882**
	Net capital resources, beginning of year	20,735	18,290
	Exchange rate adjustment of capital resources	-	-437
	Net capital resources, end of year	**2,715**	**20,735**
	Net capital resources, end of year, are composed as follows:		
15	Cash and cash equivalents	2,715	20,735
	Net capital resources, end of year	**2,715**	**20,735**

For information about the cash flow for discontinued operations in 2021 we refer to note 9.

1. Going Concern

During the last 3 years the group has improved its earnings primarily through significant cost reductions. Cost reductions has been achieved both through cost reductions in own auction houses, taking over partner owned auction houses and reducing cost in Lauritz headquarter. This has resulted in an improvement in our EBITDA from DKK -6,5m in 2020 to DKK 0.9m in 2021 and further to DKK 6.4m in 2022. From the beginning of 2023 we have increased our fees and commissions, which together with further cost reductions contribute to the expected continued growth in earnings in 2023.

Cash resources are limited and contingent on a continuation of the improvements described above in the Group's earnings and the resulting change to a situation with positive operating cash flows. The markets for auctioning and online sale of vintage and luxury items are growing, and the group is working hard to take its share of the market through strong initiatives in marketing and in new business areas under development, and we expect to be able to continue the positive development.

Management is continuing the work on securing further capital for growth initiatives as well as for refinancing the bond which matures in December 2024, looking into loans as well as equity-based financing options.

Based on the above-mentioned conditions for the Group, management has assessed that the cash resources of the group are sufficient to secure the future operations for at least one year, so that the report can be prepared on a going concern basis.

2. Revenue	**Group 2022 DKK'000**	**Group 2021 DKK'000**
Sales commissions and fees etc.	105,472	123,706
Other revenue - marketing contribution etc.	4,837	5,729
	110,309	**129,435**
Services transferred at a point in time	110,309	129,435
Services transferred over time	-	-
	110,309	**129,435**

The Group has no single key costumers. Revenue is attributed to Denmark and all non-current assets are located in Denmark.

	Group 2022 DKK'000	Group 2021 DKK'000
3. Other external expenses		
Fees to auditors appointed at the annual general meeting		
Audit services	600	610
Tax services	-	-
Other services	-	11
	600	**621**

2021 fees to auditors include fees only for the continuing operations.

Other external expenses include impairment gains/(losses) on receivables of DKK 121k (-425k).

4. Staff costs		
Wages and salaries	32,700	34,330
Defined contribution pension plans, cf. below	1,158	1,196
Other social security costs	448	439
Other staff costs	2,552	1,864
	36,858	**37,830**
Average number of full-time employees	58	60

The Group has contribution pension plans with some of the employees in the Danish Group enterprises. According to the concluded agreement, the Group enterprises pay a monthly amount of 5 percent of the concerned employees' basic salary. The contribution recognized in the income statement in this respect has been stated above.

	Group 2022 DKK'000	Group 2021 DKK'000
4. Staff costs (continued)		
Remuneration of the Board of Directors and Executive Management		
Remuneration of the Board of Directors	538	418
Wages and salaries, Board of Directors	558	692
Wages and salaries, Executive Management	3,506	3,920
Pensions, Executive Management	171	171
	4,773	**5,201**

Executive management is defined as publicly registered management. Wages and salaries for Board of Directors and executive management include compensation for management roles in other group Companies.

Wages and salaries, Board of Directors is a consultancy fee of DKK 0.6m (0.7m) to the Chairman of the Board.

	Group 2022 DKK'000	Group 2021 DKK'000
5. Depreciation amortisation and impairment losses		
Depreciation, right-of-use assets	2,625	1,935
Depreciation, other fixtures, tools, and equipment	230	177
Gains/losses arising from disposal	- 70	- 73
Amortisation rights acquired	-	2,149
Amortisation, developed software	2,664	4,237
	5,449	**8,425**

	Group 2022 DKK'000	Group 2021 DKK'000
6. Financial income		
Interest income	828	1,193
Interest income from group enterprises	179	177
Interest income from financial assets	**1,007**	**1,370**
Exchange rate gains	8,414	2,483
	9,421	**3,853**

Exchange rate gains are primarily related to debt denominated in SEK.

	Group 2022 DKK'000	Group 2021 DKK'000
7. Financial expenses		
Financial expenses, banks etc.	105	628
Financial expenses, lease liabilities	388	320
Bank charges etc.	1,395	624
Financial expenses, debt	4,175	5,495
Guarantee commission	2,882	2,895
Financial expenses from financial liabilities	8,945	9,962
Impairment losses receivables, current accounts	-	152
	8,945	**10,114**

	Group 2022 DKK'000	Group 2021 DKK'000
8. Tax on profit/loss for the year		
Current tax for the year	-	-
Deferred taxes change for the year	854	- 5,639
Adjustment to current taxes, prior years	4	15
Adjustment to deferred taxes, prior years	- 790	- 48
Tax on profit/loss for the year	**68**	**- 5,672**

Current tax for the financial year is for Danish enterprises based on a corporate tax rate of 22.0 % (22.0 %).

	Group 2022 DKK'000	Group 2021 DKK'000
Taxes on profit/loss for the year:		
Computed 22.0 % tax on profit/loss for the year before tax (22.0 %)	324	- 3,005
Adjustment to current taxes, prior years	4	15
Adjustment to deferred taxes, prior years	- 790	- 48
Adjustment of unrecognized tax assets	388	1,735
Tax effect of non-deductible expenses/non-taxable income	142	- 4,369
	68	**- 5,672**
Effective tax rate	4.6 %	Negative

Tax on other comprehensive income DKK 0k (DKK 0k).

9. Discontinued operations

	2022 DKK'000	2021 DKK'000
Revenue	-	32,613
Direct costs	-	-4,195
Gross profit	**-**	**28,418**
Result from divestment of activities	-	-5,351
Other external expenses	-	-6,088
Staff costs	-	-18,219
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	**-**	**-1,240**
Depreciation, amortisation, and impairment losses*	-	-4,574
Operating profit/loss (EBIT)	**-**	**-5,814**
Financial income	-	9
Financial expenses	-	-16,477
Profit/Loss before tax (EBT)	**-**	**-22,282**
Taxes on profit/loss for the year	-	-4,843
Profit/Loss for the year, from discontinued operations	**-**	**-27,125**
Earnings per share, from discontinued operations		
Earnings per share (EPS), DKK	-	-0,666
Earnings per share (EPS), diluted DKK	-	-0,666

2021 includes discontinued operations from January 2021 to the sale in May 2021.

	2022 DKK'000	2021 DKK'000
Cashflow, discontinued activities:		
Cashflow from operational activities	-	-12,762
Cashflow from investment activities	-	-
Cashflow from financing activities	-	-4,054
Net cashflow for the period/year	**-**	**-16,816**
Net capital resources, beginning of year	-	33,509
Exchange rate adjustment of capital resources	-	-129
Net capital resources, end of the period (divested)	**-**	**16,564**

10. Intangible assets (DKK'000)

	Software in process of development	Developed software	Rights acquired	Goodwill
Cost at 1 January 2022	64	60,288	14,177	40,546
Exchange rate adjustments	-	1	-	-
Additions	964	200	-	1,910
Disposals	-64	-1,339	-	-
Transferred	-606	606	-	-
Cost at 31 December 2022	**358**	**59,756**	**14,177**	**42,456**
Amortisation at 1 January 2022	-	57,703	12,977	-
Impairment losses at 1 January 2022	64	-	1,200	-
Amortisation for the year	-	2,664	-	-
Disposals	-64	-1,339	-	-
Amortisation and impairment losses at 31 December 2022	**-**	**59,028**	**14,177**	**-**
Carrying amount at 31 December 2022	**358**	**728**	**-**	**42,456**
Cost at 1 January 2021	686	60,726	14,177	40,546
Exchange rate adjustments	-	47	-	-
Disposals	-	-1,107	-	-
Transferred	-622	622	-	-
Cost at 31 December 2021	**64**	**60,288**	**14,177**	**40,546**
Amortisation at 1 January 2021	-	54,526	10,828	-
Impairment losses at 1 January 2021	64	-	1,200	-
Exchange rate adjustments	-	47	-	-
Amortisation for the year	-	4,237	2,149	-
Disposals	-	-1,107	-	-
Amortisation and impairment losses at 31 December 2021	**64**	**57,703**	**14,177**	**-**
Carrying amount at 31 December 2021	**-**	**2,585**	**-**	**40,546**

10. 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 amounts of trademarks without determinable useful lives totals DKK 0.0m at 31 December 2022 (0.0m).

Acquired enterprises are integrated in the Group as soon as possible to realize 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 2022, Management has tested the carrying amount of goodwill, software in process of development and other intangible assets for impairment. 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 discounted cashflow calculation of value in use are the determination of Total sales growth, EBITDA growth, discount rate and growth rate for the 2023 period, the forecast period 2024-2028, and the terminal period.

The assessment of growth rate in Total sales is by nature subject to material uncertainty which naturally impacts the forecasted EBITDA. The Impairment test is based on a successful return to growth, although at a lower growth rate than previously and Management assess that the used assumptions are realistic to realize. Impairment recognized for 2022 totals DKK 0m (0m).

Total sales and EBITDA growth is determined based on historical performance, and Total sales and 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.

Impairment test is based on a turnaround where Total sales increases by 0-5 % in 2023 compared to 2022, and by 5% per year in the forecast period 2024 until 2028. Cost development in the forecast period is moderate and primarily driven by increase in commission to partners as well as staff cost and variable cost in own auction houses driven by the higher activity level, and the growth in cost for rent of premises is moderate as the growth in activity can be handled in the physical locations currently in use.

EBITDA is expected to grow from 2022 to 2023 in line with the growth in EBIT mentioned in the guidance for 2023. The increase in EBITDA is primarily due to growth in Revenue, and further strengthened by a change in business setup with more owned auction houses and a number of cost-cutting initiatives and other initiatives in relation to how the business is operated.

Growth in Total sales is driving value creation in the business. Economies of scale are quite high, resulting in a yearly growth in EBITDA of 10-15 percent, bringing EBITDA to a level between DKK 15m and 20m at the end of the forecast period.

10. Intangible assets (continued)

When determining investments, the effect of EBITDA growth is included based on historical experience, equivalent to an investment level of approximately 10 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 12.5 percent (11.5).

The terminal value growth rate of 0.5 percent (0.5) p.a. is based on estimated economic growth.

Sensitivity analysis

Compared to previous years, the headroom in the impairment test has increased.
The assessment of the assumptions applied when preparing the impairment test is by nature subject to material uncertainty.

A sensitivity analysis has been performed of the main assumptions in the impairment test to identify the lowest and/or the highest discount rate and the lowest growth rate in the forecast period for the cash-generating unit without resulting in any impairment losses. A summary of sensitivity analysis is shown below (all other assumptions unchanged):

	Group
	2022
Average Total sales growth for 2024 to 2028	0 %
Average EBITDA-growth for 2024 to 2028	- 29 %
WACC, pre-tax	25 %
Terminal growth	Can not result in impairment on its own

11. Property, plant, and equipment (DKK'000)

	Right-of-use assets	Other fixtures etc.
Cost at 1 January 2022	7,891	19,906
Additions	1,582	678
Remeasuring of value of assets	2,295	-
Disposals/expired	- 1,806	- 248
Cost at 31 December 2022	**9,962**	**20,336**
Depreciation at 1 January 2022	2,405	15,779
Depreciation for the year	2,625	230
Depreciation related to disposals	- 1,901	- 256
Depreciation at 31 December 2022	**3,129**	**15,753**
Carrying amount at 31 December 2022	**6,833**	**4,583**
Cost at 1 January 2021	9,121	19,960
Additions	516	507
Remeasuring of value of assets	941	-
Disposals/expired	- 2,687	- 561
Cost at 31 December 2021	**7,891**	**19,906**
Depreciation at 1 January 2021	3,310	16,164
Depreciation for the year	1,935	177
Depreciation related to disposals	- 2,840	- 562
Depreciation at 31 December 2021	**2,405**	**15,779**
Carrying amount at 31 December 2021	**5,486**	**4,127**

Right-of-use asset value is based on the present value of rental agreements for showrooms, warehouses, office space and other facilities. Depreciation is straight-line on basis of the underlying contracts with an average of 3 years.

	Group 2022 DKK'000	Group 2021 DKK'000
12. Deferred taxes		
Deferred taxes at 1 January	14,992	9,343
Exchange rate adjustments	-	- 38
Adjustments, prior years	790	48
Deferred tax on profit/loss for the year	- 854	5,639
Deferred taxes at 31 December	**14,928**	**14,992**
Specification of deferred taxes:		
Tax losses carry forwards	41,316	41,687
Tax losses carry forwards, not recognised	- 34,328	- 33,647
Right-of-use assets/lease liabilities	122	96
Other fixtures and fittings	4,200	4,178
Leasehold improvements	109	89
Rights acquired	2,060	2,060
Software	280	- 78
Goodwill	- 555	- 555
Receivables	-	1,212
Other liabilities/payables	1,724	- 50
	14,928	**14,992**

Each of the changes in deferred tax is recognized in profit/loss for the year. No deferred tax is incumbent on other comprehensive income. Recognized tax losses carry forwards are expected to be utilized within 5 years.

Deferred tax is recognized as follows in the balance sheet:		
Deferred taxes (assets)	15,829	15,873
Deferred taxes (liabilities)	- 901	- 881
Deferred taxes at 31 December, net	**14,928**	**14,992**

13. Deposits (DKK'000)

Cost at January 1	2,085	1,849
Additions	434	236
Cost at December 31	**2,519**	**2,085**
Carrying amount at December 31	**2,519**	**2,085**

	Group 31.12.2021 DKK'000	Group 31.12.2021 DKK'000
14. Receivables		
Trade receivables	2,058	645
Contractual receivables	7,969	32,161
Receivables from group entities	18,034	17,860
Receivables from associated companies	8,479	-
Other receivables	3,299	3,988
	39,839	**54,654**

Contractual receivables relate to the sale of 2 (5) partnership agreements and 0 (1) sale of shares. The contractual receivables from sale of partnerships agreements are in the range of DKK 2.0m to DKK 6.0m. Receivables from sale of partnership agreements are interest bearing. 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. The receivable related to the sale of shares is non-interest bearing and has no contingencies.

Of the contractual receivables DKK 7.6m (17.7m) is expected to mature after 12 months. Impairment of trade receivables and other receivables is made based on expected credit loss. During 2021 and 2022 no impairment losses has been recognized.

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.

The impairment losses included in receivables have developed as follows:

	2022 DKK'000	2021 DKK'000
Lifetime Expected Credit Loss:		
Impairment losses at 1 January	981	3,893
Realised impairments losses	- 92	- 2,912
Impairment losses for the period	-	-
Impairment losses at 31 December	889	981

The Group has no significant credit risks in trade receivables related to a single costumer 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 recognized if the receivables show indication of impairment.

15. Cash and Cash equivalents

Cash and cash equivalents include restricted cash amounting to DKK 0.5m (0.5m).

16. Financial liabilities and financial activities

	Group 31.12.2022 DKK'000	Group 31.12.2021 DKK'000
Financial liabilities include:		
Bond debt, non-current	93,604	101,640
Bond debt, current	-	10,890
Financial liabilities	**93,604**	**112,530**
Lease liabilities, non-current	4,771	4,174
Lease liabilities, current	2,615	1,845
Lease liabilities	**7,386**	**6,019**

The financial activities are:

	Financial liabilities DKK'000	Lease liabilities DKK'000
Financial liabilities 1 January 2022	112,530	6,019
Cash flow from settlements	- 10,640	- 2,510
Non-cash changes:		
Exchange rate and other adjustments	- 8,286	-
Added new liabilities	-	1,582
Remeasure of liabilities	-	2,295
Financial liabilities 31 December 2022	**93,604**	**7,386**
Financial liabilities 1 January 2021	161,386	6,141
Cash flow from settlements	- 46,486	- 1,732
Non-cash changes:		
Exchange rate and other adjustments	- 2,370	153
Added new liabilities	-	516
Remeasure of liabilities	-	941
Financial liabilities 31 December 2021	**112,530**	**6,019**

17. Bond debt and Senior loan/ refinancing activities of the group

The Group has a bond originally issued in 2014.

The main terms of the bond debt at 31.12.2022 (the balance sheet date) are:

- Outstanding principal amount SEK 140m (SEK 155m).
- Fixed interest rate of 4.0 percent on the principal amount SEK 140m.
- Final redemption date of SEK 140m is 17 December 2024, no yearly redemptions.
- Interest for the period 17 December 2020 to 17 December 2021 to be paid at maturity of the bond in December 2024.
- Security EUR 10m 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.

18. Other payables

Other payables include payroll taxes, holiday pay, payable VAT, severance pay, and other costs payable.
The group has received extended payments terms and credit from the government related to Covid-19 relief programs.

19. Financial risks

Currency risks

The Group's currency risks for the continuing operations are primarily related to the bond debt denominated in SEK. The remaining currency exposure is primarily in DKK. The difference between ingoing and outgoing payments denominated in the same currency is a measure of currency risk.

The bonds issued are in SEK. 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 December 2022 would affect income and equity by approx. DKK 3.8m (4.9m).

Interest risks

The Group has interest-bearing financial assets and liabilities and so it is affected by interest rate fluctuations. Following the restructuring of the bond debt, which included a change to fixed interest rates on the bond debt, the impact of fluctuations in the level of interest rates on the groups comprehensive income and equity has diminished significantly and is primarily related to interest on cash in bank accounts.

19. 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.

2022 (DKK'000)	0-1 year	1-2 years	2-3 years	3+ years	Total
Bond principal	-	98,310	-	-	98,310
Bond interest (2022-2024)	3,932	2,694	-	-	6,626
Lease liabilities	2,615	2,664	2,107	-	7,386
Other liabilities	51,262	1,479	-	-	52,741
31 December 2022	**57,809**	**105,147**	**2,107**	**-**	**165,063**

2021 (DKK'000)	0-1 year	1-2 years	2-3 years	3+ years	Total
Bond principal	10,890	-	106.958	-	117,848
Bond interest (2022-2024)	4,270	4,270	3,910	-	12,450
Lease liabilities	1,845	1,531	1,550	1,093	6,019
Other liabilities	69,837	-	-	-	69,837
31 December 2021	**86,842**	**5,801**	**112,418**	**1,093**	**206,154**

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. 40 bank 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.

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 affected 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 flow, mainly Valitor, ALTAPAY, Jyske Bank, Danske Bank, SEB, and DNB. Credit risks related to contractual receivables and other receivables are disclosed in note 14.

Other

The Group regularly assesses its capital structure with a view to ensuring adequate equity in the Group. Reference is made to note 1.

20. Earnings per share (EPS)

	Group 31.12.2022 DKK'000	Group 31.12.2021 DKK'000
EPS, continuing operations		
Profit/Loss for the year, continuing operations	404	- 8,103
Number of shares	40,792,542	40,792,542
Average number of shares in circulation	40,792,542	40,747,610
EPS at DKK 0.10	0.010	- 0.199
EPS at DKK 0.10 diluted	0.010	- 0.199
EPS total		
Profit/Loss for the year, total	404	- 33,428
Number of shares	40,792,542	40,792,542
Average number of shares in circulation	40,792,542	40,747,610
EPS at DKK 0.10	0.010	- 0.865
EPS at DKK 0.10 diluted	0.010	- 0.865

21. Dividend

During 2022, DKK 0 in ordinary dividend has been distributed to the shareholders of Lauritz.com Group A/S, equalling DKK 0 per share (2021: DKK 0 per share).

For the financial year 2022, the Board of Directors is proposing a dividend of DKK 0k, corresponding to DKK 0 per share.

22. Contingencies etc.

Contingent liabilities, consolidated financial statements

The Group has issued a letter of support to the subsidiaries Lauritz.com Globen AB and Lauritz Shop A/S. This is not expected to have any impact on comprehensive income or equity.

The Group has pledged all shares of Lauritz.com A/S as security for the bond debt.

The Group participates in a national 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, royalty and dividends for the jointly taxed companies. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the financial statement of the administration company.

23. Acquisitions and divestments

Acquisitions in 2022

None.

Acquisitions in 2021, auction house in Köln

On 4 January 2021 the Group acquired the activities of the Lauritz.com auction house in Köln from previous partner, to operate this auction house ourselves or divest.

	DKK'000
Fixed assets	106
Other receivables	219
Cash and cash equivalents	17
Other payables	-342
Net assets acquired	**0**
Goodwill	-
Total consideration	**0**

No part of the total consideration is recognized as contingent consideration. The Group has acquired net assets totalling DKK 0k including cash acquired of DKK 0k. The Group has incurred transaction costs of DKK 0k.

Cash payment	-
Total cost of acquisition	**-**

Of the Group's 2021 revenue DKK 1,434k and DKK -43k of the Group's 2021 profit/loss before tax is attributable to the acquired activities.

Had the 2021 acquisitions been made at the beginning of the year the revenue for the group would be the same as reported, and the profit/loss before tax of the group for the period would not be impacted.
The activities acquired in Köln were part of the activities divested in May 2021.

23. Acquisitions and divestments (continued)

Divestments in 2021, auction activities in Stockholms Auktionsverk, Karlstad Hammarö and 3 German auction houses

In May 2021 the Group finalised the divestment of auction activities in Stockholms Auktionsverk, Karlstad Hammarö and 3 German auction houses.

	DKK'000
Booked values of divested activities, at disposal in May 2021:	
Goodwill	61,579
Acquired rights	43,383
Right of use assets	29,738
Other tangible assets	2,103
Deposits	490
Inventories	24
Receivables from sales	6,108
Receivables inter-group	33,573
Other receivables	2,573
Prepayments corporate taxes	709
Cash and bank	16,564
Liabilities leasing	- 32,453
Deferred taxes	- 1,666
Trade payables	- 35,455
Other payables	- 13,596
Net assets divested	**113,674**
Cash settlement at closing	75,994
Receivable (deferred payment May 2022 15m SEK)	11,037
Debt transfer to buyer	33,573
Total consideration	**120,604**
Cost of sale total	12,281
Result from sale of activities	**- 5,351**

No part of the total consideration is recognized as contingent consideration. The Group has divested net assets totalling DKK 113.7m including cash of DKK 16.6m. The Group has incurred transaction costs of DKK 12.3m.

24. Related parties

Related parties with a controlling interest

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

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

Related individuals

Bengt Sundström, Chairman of The Board of Directors (since 2016)

Mette Margrethe Rode Sundstrøm, CEO (since 2021), Member of the Board of Directors (since 2017)

Preben Vinkler Lindgaard, CFO, Member of The Board of Directors (since 2018)

Tue Byskov Bøtkær, Member of The Board of Directors (since 2021)

Transactions with related parties

Lauritz.com Group A/S did not enter into significant transactions with members of the Board or the Executive Management, except for compensation and benefits received, including a consultancy fee as a result of their membership of the Board or employment with Lauritz.com as disclosed in note 4.

As part of the debt restructuring in 2019 certain assets has been pledged with EUR 10m by the parent Group Blixtz Holding. This agreement includes guarantee commission paid by the Group at DKK 2.9m (DKK 2.9m).

The Group has interest-bearing long-term receivables from parent companies (Blixtz Holding A/S, Ejendomsselskabet Blixtz Aps) at DKK 18.0m (DKK 17.9m) related to the purchase of a property and related to the joint taxation. The group has received interest from parent companies od DKK 0,1m (0,1m).

Subsidiaries	**Registered office**	**Ownership interest**
Lauritz.com A/S	Søborg, Denmark	100 %
LC Danmark ApS	Søborg, Denmark	100 %
Lauritz Shop A/S *	Søborg, Denmark	100 %
QXL.no AS *	Oslo, Norway	100 %
Lauritz.com Globen AB (dormant)*	Stockholm, Sweden	100 %
Lauritz.com SE1 AB (dormant)*	Helsingborg, Sweden	100 %
Lauritz.com SE 2 AB (dormant)*	Helsingborg, Sweden	100 %

Entities divested on 12 May 2021:	
Lauritz.com Sverige AB*	Stockholm, Sweden
AB Stockholms Auktionsverk*	Stockholm, Sweden
Lauritz.com Finland OY *	Helsinki, Finland
Lauritz.com Deutschland GmbH *	Hamburg, Germany
Lauritz.com Köln GmbH *	Köln, Germany
Karlstad-Hammarö Auktionsverk AB *	Skoghall, Sweden

* The company is not audited by Beierholm.

25. Events after the balance sheet date

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

26. Approval of annual report for publication

At the Board of Directors' meeting on March 24, 2023, the Board of Directors has approved the present annual report for publication. The annual report will be presented to the shareholders of Lauritz.com Group A/S for their approval at the annual general meeting on April 20, 2023.

27. Accounting policies

The Annual Report of Lauritz.com Group A/S for the financial year 2022 has been presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of reporting middle class C under the Danish Financial Statements Act.

The Group has one reporting segment (auctioning), however, as the Group's activities expand, Management regularly assesses internal financial management reporting and whether it would be relevant to report additional segments. The Annual Report is presented in Danish kroner (DKK), which is the presentation currency of the Group's activities and the functional currency of the Parent.

The accounting policies applied are consistent with those applied for 2021.

Changes in accounting policies

No new accounting standards, amended standards, or interpretations of relevance for Lauritz.com Group A/S has been identified for the year commencing 1 January 2022.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to impact the financial statements of Lauritz.com Group A/S. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Critical accounting judgements and key sources of estimation uncertainty

When applying the Group's accounting policies, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily evident from other sources. The Group has not identified any critical accounting judgements. The estimates and assumptions are based on historic experience and other relevant factors. Actual results may vary from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During annual testing of goodwill and other non-current assets, including tax assets for impairment, or when an indication of impairment exists, an assessment is made as to how those activities of the Group (cash-generating unit) that relate to goodwill would be able to generate sufficient positive future net cash flow to support the value of goodwill, non-current intangible assets and property, plant and equipment relating to those activities. Due to the nature of the business, estimates are made of cash flows for many years ahead, which inherently is subject to some uncertainty. This risk and this uncertainty are reflected in the discount rate applied and in the terminal value growth rate.

In calculating write-downs for bad and doubtful debts, Management has made estimates based on information available and other indications.

Accounting policies (continued)

Gains or losses on divestments of subsidiaries and associates are stated as the difference between the sales price or settlement price and the fair value of any remaining equity and the book value of net assets on the time of sale or winding up, including goodwill, less any minority interests. Gains or losses are recognized in the statement of comprehensive income as well as accumulated foreign currency translation adjustments previously recognized in other comprehensive income. Business Units that have been divested of in the financial year or are expected to be divested within the following 12 months, are in the profit and loss classified as discontinued operations, and in the balance-sheet classified as assets and liabilities held for sale.

It may be necessary to change previous estimates due to changes in those circumstances on which the estimates are based, or due to new information or subsequent events.

Consolidated financial statements
The consolidated financial statements include the Parent, Lauritz.com Group A/S, and the subsidiaries that are controlled by the Parent. The Parent is deemed to have control when it has power over the relevant activities of the entity in question and when it has exposure, or rights, to variable returns from its involvement with the investee and has ability to assert power over the investee to affect the amount of variable returns.

Entities in which the group exercises a significant but non-controlling influence are considered associated companies. A significant influence is usually achieved by directly or indirectly owning or controlling 20-50 percent of the voting rights. Agreements and other circumstances are considered when assessing the degree of influence.

The consolidated financial statements are prepared on the basis of the financial statements of Lauritz.com Group A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement items of a uniform nature. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. Subsidiaries' financial statement items are recognized in full in the consolidated financial statements.

Business combinations
Newly acquired or newly established enterprises are recognized in the consolidated financial statements from the time of acquiring or establishing such enterprises. Time of acquisition is the date on which control over the enterprise is actually obtained. Divested or wound-up enterprises are recognized in the consolidated statement of comprehensive income up to the time of their divestment or wind-up.

The purchase method is applied on acquisition of new entities over which Lauritz.com Group A/S obtains control. The identifiable assets, liabilities and contingent liabilities of the entities acquired are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they can be separated or arise out of a contractual right, and their fair value can be calculated reliably. Deferred tax is recognized for any reassessments made.

Cost of an enterprise consists of fair value of the consideration agreed. If part of the consideration is contingent upon future events, such part is recognised in cost in so far as the events are likely to occur, and the consideration can be calculated reliably.

Positive differences (goodwill) between the cost of the entity acquired and the fair value of the identifiable assets acquired, net of the amount of liabilities and contingent liabilities, are recognised as goodwill in intangible assets. Goodwill is not amortised but tested at least once a year for impairment. On acquisition, goodwill is allocated to cash-generating units, which then form the basis of impairment testing.

If the asset's carrying amount is higher than its recoverable amount, it is written down to such lower recoverable amount. Goodwill and fair value adjustments made as part of the acquisition of a foreign entity using a functional currency other than the presentation currency used by Lauritz.com Group A/S are accounted for as assets and liabilities belonging to the foreign entity and translated into Danish kroner (the functional currency) applied by the foreign entity at the transaction date exchange rate. Negative balances (negative goodwill) are recognised in other operating income in the statement of comprehensive income at the date of acquisition.

If uncertainty exists at the date of acquisition as to the measurement of identifiable assets, liabilities or contingent liabilities acquired, initial recognition will be based on preliminary fair values. Should the fair values of identifiable assets, liabilities, or contingent liabilities at the date of acquisition then turn out to differ from those previously estimated, goodwill is adjusted up until 12 months after the date of acquisition, and adjustments are subsequently taken to the statement of comprehensive income.

Gains or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of net assets, including goodwill, at the time of sale plus divestment or winding-up expenses.

Foreign currency translation
Foreign currency transactions are translated using the transaction date exchange rate. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date are recognized in the statement of comprehensive income as financial income or financial expenses. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognised directly in other comprehensive income.

Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the balance sheet date and the rate in effect at the time when the payable or the receivable arose are recognized in the statement of comprehensive income as financial income or financial expenses.

Non-current assets purchased in foreign currencies are translated applying the transaction date exchange rate.

On recognition in the consolidated financial statements of entities using functional currencies other than Danish kroner, the income statement items are translated using the average exchange rate for the year, whereas the balance sheet items are translated at the balance sheet date exchange rate. Exchange differences arising out of the translation of such entities' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from the transaction date exchange rates to the balance sheet date exchange rates are recognized in other comprehensive income.

Statement of comprehensive income
Revenue
The Auction business of Lauritz.com generates revenue from knockdowns on the auction platforms of the from partner owned auction houses etc. Revenue from auctions etc. is recognised in the statement of comprehensive income once the sale has taken place and the income can be determined reliably and receipt thereof is expected.

Furthermore, revenue is generated through fees from sales of partnership agreements. Revenue from sale of partnership agreements is recognised once a sale is completed, and the income can be determined reliably, and is presented separately in the notes. Revenue is recognised net of VAT and duties and less sales discounts.

Direct costs
Direct costs are composed of the share of commissions and fees paid to partner owned auction houses and packing and distribution costs as well as other costs related to revenue.

Other operating income
Other operating income comprises income of a secondary nature relative to the Group's activities, including rental income.

Other external expenses
Other external expenses comprise expenses for sale, marketing, administration, premises, bad debts, operating lease expenses, etc.

Staff costs
Staff costs include wages, salaries, pension contributions, fees to the Board of Directors and the Executive Board as well as other social security costs.

Share-based payment transactions
Equity-settled share-based payment transactions with employees are measured by reference to the fair value at the grant date. The cost of equity-settled transactions is recognized as staff costs together with a corresponding increase in equity over the period in which the performance and/or the service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Management's best estimate of the number of equity instruments that will ultimately vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate at the beginning and end of that period.

Financial income and expenses
These items comprise interest income and interest expenses, realised and unrealised capital gains and losses from liabilities and foreign currency transactions as well as amortisation, adjustments and impairment of financial assets and liabilities. Financial income and expenses are recognized at the amounts relating to the financial year.

Profit/loss from investments in subsidiaries (Parent)
Dividends from equity investments are recognized when unconditional entitlement to such dividends arise. This is typically the date on which the annual general meeting approves distribution by the relevant entity.

Tax on profit/loss for the year
The Group participates in a joint taxation arrangement with both Danish and foreign group enterprises.

Current Danish income tax is allocated among the jointly taxed enterprises proportionally to their taxable income (full allocation with a refund concerning tax losses). The jointly taxed enterprises are subject to the Danish Tax Prepayment Scheme.

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the statement of comprehensive income by the portion attributable to profit or loss for the year or taken to other comprehensive income by the portion attributable to entries directly in other comprehensive income. Tax recognised in the statement of comprehensive income is classified as tax on profit or loss for the year.

Balance sheet

Intangible assets

On initial recognition, goodwill is recognized at cost in the balance sheet as described under “Business combinations”. Subsequently, goodwill is measured at cost less any accumulated impairment losses. The carrying amount of goodwill is allocated to the Group’s cash-generating unit at the time of acquisition.

Determination of cash-generating units complies with the management structure and management control of the Group. As a result of integrating the acquired entities in the existing Group, Management estimates that the lowest level of cash-generating units, to which the carrying amount of goodwill may be allocated, is at group level as it is generally impossible to trace and measure the value of goodwill in each of the entities acquired after a short period of time.

Rights acquired are measured at cost less accumulated amortisation. Rights acquired are amortised on a straight-line basis over their estimated useful lives, which are estimated to be up to 20 years or less depending on the terms of contract.

Software in process of development comprises both externally acquired software and proprietary software qualifying for capitalisation. Software in process of development is not amortised, however, its value is tested on a regular basis, which may result in a write-down. Completed software is amortised on a straight-line basis using its estimated useful life. The period of amortisation is usually 3 to 5 years.

Intangible assets with indefinite useful lives are not amortised but are tested at least once a year for impairment. If the assets' carrying amounts exceed their recoverable amounts, they are written down to such lower amount. In the balance sheet, intangible assets with indefinite useful lives are presented in “Rights acquired”.

Right-of-use assets (leased assets)

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to the lease arrangements in which it is the lessee, except for short term leases (under 12 month) and leases of low value assets. For short term and low value asset leases the group recognises the lease payments in operating expenses on a straight-line basis over the lease term.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use assets are presented as a separate line in the consolidated balance sheet.

Property, plant, and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated. Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs if the asset is of an age and a condition that is expected after the end of useful life.

Depreciation is provided on a straight-line basis from the following assessment of the assets' expected useful lives:

Other fixtures and fittings, tools, and equipment	3 to 10 years

The gain or loss arising from the disposal of an item of property, plant and equipment is determined as the difference between the selling price net of selling costs and the carrying amount at the time of sale. Gains or losses are recognised in "Depreciation and amortisation" in the statement of comprehensive income.

Write-down for impairment of non-current assets
The carrying amounts of both intangible assets and items of property, plant and equipment are reviewed annually for any indicators of impairment in addition to that reflected through amortisation and depreciation. However, goodwill and intangible assets with indefinite useful lives are tested annually for impairment, the first time being at the end of the acquisition year.

If any such indication exists, impairment tests are made of each asset and group of assets, respectively. Write-down is made to the lower of recoverable amount and carrying amount.

The recoverable amount is the higher of net selling price and value in use. Value in use is the present value of the estimated net income from using the asset or the group of assets.

Non-current financial assets
Deposits
Deposits are measured at cost.

Investments in group enterprises
Parent
Investments in subsidiaries are recognised and measured at cost in the parent's balance sheet. An impairment test is made if there is any indication of impairment. If cost exceeds recoverable amount, cost is written down to recoverable amount.

Investments in associated companies
Investments in associated companies are recognised as the group's share of the equity value inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of associated companies and is therefore subject to an impairment test together with the investment as-a-whole. Impairment losses are reversed to the extent the original value is considered recoverable.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Trade receivables, contract receivables and other receivables
Trade receivables, contract receivables and other receivables are initially recognised at Fair value, plus any direct transaction costs, and subsequently measured at amortised cost using the effective interest method.

For other receivables and contract receivables, write down is made for anticipated losses in accordance with IFRS 9 based on specific individual or group assessments. For trade receivables, the loss allowance is measured in accordance with IFRS 9 applying a provision matrix based on the groups historical loss experience adjusted for expected changes in specific or general circumstances.

Equity and liabilities

Equity

Proposed dividend is recognized as a liability at the time of adoption at the annual general meeting (the time of declaration).

Reserves for treasury shares are recognized at purchase value.

Reserves for exchange rate adjustments comprise exchange differences arising from the translation of financial statements of entities with a functional currency other than Danish kroner.

Current tax and deferred tax

The current tax payable or receivable is recognized in the balance sheet, stated as tax computed on this year's taxable income adjusted for prepaid tax.

Deferred tax is the tax recognised on temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax liabilities as well as deferred tax assets are recognised.

Deferred tax is measured based on the current tax rate. Changes in deferred tax resulting from changed tax rates are recognized in the statement of comprehensive income.

Liabilities

Financial liabilities are recognized at the time of borrowing at nominal value less transaction costs incurred, equivalent to the proceeds received. Subsequently, financial liabilities are recognized at amortised cost equal to the capitalised value using the effective interest method to the effect that the difference between the proceeds and the nominal amount is recognized in the statement of comprehensive income over the term of the loan.

The lease liability is initially measured at the present value of the lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the group uses its incremental borrowing rate. The lease liability is presented as a separate line in the consolidated balance sheet.

Other liabilities including debt to suppliers, subsidiaries as well as other payables are measured at amortised cost which usually corresponds to nominal value.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows for the year by operating, investing, and financing activities, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as profit or loss for the year adjusted for non-cash operating items, working capital changes as well as interest income, interest expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of entities and activities as well as the acquisition and sale of non-current assets.

Cash flows from financing activities comprise changes in the size or composition of share capital and related expenses. Moreover, cash flows from financing activities comprise raising of loans, repayments of interest-bearing debt including debt related to right-of-use assets and payment of dividend.

Discontinued operations comprise all revenue and expenses and gain and losses for operations either being held for sale, or which have already been disposed of. Discontinued operations are reported separately from the continued operations in the financial statements. Comparative figures are restated to segregate the continuing and discontinuing assets, liabilities, income, expenses, and cash flows.

Cash and cash equivalents comprise cash less any overdraft facilities forming an integral part of cash management.

Financial assets and liabilities
The Group and the Parent classify their financial assets as loans and receivables and their financial liabilities as other financial liabilities.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are stated in current assets. The maturity profile of the Loans and receivables is shown in the notes. In the balance sheet, loans and receivables are classified as “Deposits”, “Trade receivables”, “Contract receivables”, “Receivables from Parent Company” and “Other receivables”.

Other financial liabilities
Financial liabilities are non-derivative financial liabilities that are measured at amortised cost. They are recognized in the balance sheet under non-current liabilities when the time to maturity from the balance sheet date exceeds 12 months. In the event of maturity within 12 months, they are recognized under current liabilities. Other financial liabilities are classified in the balance sheet as “Trade payables” and “Other payables”.

Notes		Parent Company 2022 DKK'000	Parent Company 2021 DKK'000
1	Other operating income	5,010	5,900
2	Other external expenses	- 696	- 608
3	Staff costs	- 4,672	- 5,354
	Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	**- 358**	**- 62**
	Depreciation and amortisation	-	-
	Operating profit/loss (EBIT)	**- 358**	**- 62**
4	Financial income	1,572	3,349
5	Financial expenses	- 259	- 90
	Profit/Loss before tax (EBT)	**955**	**3,197**
6	Tax on profit/loss for the year	92	- 68
	Profit/Loss for the year	**1,047**	**3,129**
	Other comprehensive income	-	-
	Total comprehensive income	**1,047**	**3,129**

Assets

Notes		Parent Company 31.12.2022 DKK'000	Parent Company 31.12.2021 DKK'000
	Non-current assets		
7	Developed software	-	-
	Total intangible assets	-	-
8	Equity interest in subsidiaries	-	-
10	Deferred tax	84	-
	Total financial assets	84	-
	Total non-current assets	**-**	**-**
	Current assets		
	Receivable from group companies	0	3
	Other current receivables	8	142
	Total receivables	8	145
	Cash and cash equivalents	12	105
	Total current assets	**104**	**250**
	Total assets	**104**	**250**

Equity and liabilities

Notes		Parent Company 31.12.2022 DKK'000	Parent Company 31.12.2021 DKK'000
	Equity		
9	Share capital	4,079	4,079
	Reserves	-	-
	Retained earnings	-10,114	-11,161
	Total equity	**-6,035**	**-7,082**
	Liabilities		
10	Deferred tax	-	20
	Trade payables	34	16
	Payable to group companies	-	-
	Corporate taxes payable	-	-
11	Other payables	6,105	7,296
	Total current liabilities	6,139	7,332
	Total liabilities	**6,139**	**7,332**
	Total equity and liabilities	**104**	**250**

	Share capital DKK'000	Reserve for treasury shares DKK'000	Retained earnings DKK'000	Total Equity DKK'000
Parent Company				
Equity at 1 January 2022	**4,079**	**-**	**-11,161**	**-7,082**
Profit/Loss for the year			1,047	1,047
Equity at 31 December 2022	**4,079**	**-**	**-10,114**	**-6,035**
Equity at 1 January 2021	**4,079**	**-76**	**-14,290**	**-10,287**
Profit/Loss for the year			3,129	3,129
Share based salary program	-	76	-	76
Equity at 31 December 2021	**4,079**	**-**	**-11,161**	**-7,082**

	Parent Company 2022 DKK'000	Parent Company 2021 DKK'000
Operating profit/loss (EBIT)	**- 358**	**- 62**
Depreciation, amortization, and impairment	-	-
Increase/decrease in receivables, and other receivables	1,664	4,049
Increase/decrease in trade payables, and other payables	- 1,443	- 1,426
Other adjustments	20	76
Cash flow from ordinary operating activities	- 117	2,637
Financial income received	45	100
Financial expenses paid	- 9	- 90
Income tax paid, including joint taxation	- 12	- 2,624
Cash flow from operating activities	**- 93**	**23**
Purchase of intangible assets	-	-
Cash flow from investing activities	**-**	**-**
Buy-back share program	-	-
Cash flow from financing activities	**-**	**-**
Net cash flow for the year	-93	23
Net capital resources, beginning of year	105	82
Net capital resources, end of year	**12**	**105**
Net capital resources, end of year, are composed as follows:		
Cash and cash equivalents	12	105
Net capital resources, end of year	**12**	**105**

	Parent Company 2022 DKK'000	Parent Company 2021 DKK'000
1. Other operating income		
Management fees, group companies	5,900	5,900
	5,900	**5,900**

2. Fess to auditors appointed at the general assembly.		
Audit services	80	75
Other services	-	-
	80	**75**

3. Staff costs		
Wages and salaries	4,485	5,108
Defined contribution pension plans, cf. below	171	224
Other social costs	20	25
Other staff costs	- 4	- 3
	4,672	**5,354**
Average number of full-time employees	3	3

The Parent Company has concluded defined contribution pension plans. According to the concluded agreement, the Parent pays a monthly amount of 5 percent of the concerned employees' basic salary. The contribution recognised in the income statement in this respect has been stated above.

Wages and salaries include a consultancy fee of DKK 0.6m to the Chairman of the Board (0.7m).

Remuneration of the Board of Directors and Executive Management, parent		
Remuneration of the Board of Directors	269	209
Wages and salaries, Board of Directors	558	692
Wages and salaries, Executive Management	3,506	3,920
Pension, Executive Management	171	171
	4,504	**4,992**

	Parent Company 2022 DKK'000	Parent Company 2021 DKK'000
4. Financial income		
Interest income from group enterprises	41	100
Exchange rate gains	4	-
Impairment gain, receivable from subsidiaries	1,527	3,249
	1,572	**3,349**
5. Financial expenses		
Interest and other financial expenses	256	86
Other financial expenses	3	4
Interest expenses from financial liabilities	**259**	**90**
6. Tax on profit/loss for the year		
Corporate tax, current year	-	-
Deferred tax, current year	48	-68
Corporate tax, change to prior year	-12	-12
Deferred tax, change to prior year	56	12
	92	**-68**

Corporate tax for the financial year is computed based on a tax rate of 22.0 % (22.0 %)

Tax on profit/loss for the year is made up as follows:		
Computed 22.0 % tax on profit/loss for the year before tax	-210	-703
Changes to prior year	44	-
Unrecognized tax asset	-22	-
Tax effect of non-deductible items/expenses	280	635
	92	**-68**
Effective tax rate	-9.6 %	2.1 %

7. Intangible assets

	Developed software 2022 DKK'000	Developed software 2021 DKK'000
Cost at 1 January	289	289
Cost at 31 December	**289**	**289**
Depreciation at 1 January	289	289
Depreciation for the year	-	-
Depreciations at 31 December	**289**	**289**
Carrying amount at 31 December	**-**	**-**

8. Equity interest in subsidiary

	Parent Company 2022 DKK'000	Parent Company 2021 DKK'000
Cost at 1 January	56,835	56,835
Cost at 31 December	**56,835**	**56,835**
Value adjustment at 1 January	- 56,835	- 56,835
Impairment for the year	-	-
Value adjustment at 31 December	**- 56,835**	**- 56,835**
Carrying amount at 31 December	**-**	**-**

Group enterprises are specified in note 24 to the consolidated financial statements.

The parent company has pledged all shares of Lauritz.com A/S as security for the bond debt in Lauritz.com A/S. An impairment loss has been recognized due to negative results and equity reported in the subsidiary.

9. Share capital

The share capital of the parent company consists of 40,792,542 shares with a nominal value of DKK 0.10 each. The shares have been paid in full. The shares have not been divided into classes and no special rights have been attached to the shares.

The share capital can be made up as follows:	DKK'000
Contributed capital, controlling interest 20 April 2016	3,600
Capital increase, cash 21 June 2016	467
Capital increase, 24 July 2017	12
Total share capital	**4,079**

On 21 June 2016, the company's share capital was increased by 4,666,667 shares with a nominal value of DKK 0.10 each, corresponding to an increase of the share capital of DKK 466,667 and a premium of DKK 55,365,337. The increase has been made in connection with the listing of the Parent's shares at Nasdaq First North Premier Stockholm.

On 24 July 2017, the company's share capital was increased by 125,875 shares with a nominal value of DKK 0.10 each, corresponding to an increase of the share capital of DKK 12,587.50 and a premium of DKK 587,412.50. The increase has been made in connection with the acquisition of the Lauritz branch in Roskilde, Denmark.

In April-June 2018 the company purchased 1,001,039 shares (2,45% of shares in circulation) at an average share price of 0,85 DKK corresponding to a value of DKK 851k.

In July 2021 89,635 shares were distributed to management as part of a remuneration program corresponding to a value of DKK 76k.
On December 2022 the company does not hold own shares.

10. Deferred tax

	Parent Company 31.12.2022 DKK'000	Parent Company 31.12.2021 DKK'000
Deferred tax at 1 January	20	60
Adjustment to deferred tax for prior years	- 56	- 12
Deferred tax on profit/loss for the year	- 48	- 68
Deferred tax at 31 December	**- 84**	**- 20**
Specification of deferred tax:		
Other fixtures and fittings	- 27	36
Tax loss carried forward	- 77	- 56
Impairment of tax asset	22	-
	- 84	**- 20**
Deferred tax is recognized as follows in the balance sheet:		
Deferred tax (asset)	84	-
Deferred tax (liability)	-	- 20
Deferred tax at 31 December	**84**	**- 20**

11. Other payables

Other payables include payroll taxes, holiday pay, payable VAT, and other payables.

12. Contingencies etc.

Contingent liabilities, Parent Company

The Parent Company participates in a national 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 Parent Company is therefore liable for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties, and dividends for the jointly taxed companies.

13. Related parties

Transactions

The company has entered into a management agreement with the subsidiary Lauritz.com A/S. The management fees and other fees amounted to DKK 5,010k (5,900k).

We refer to note 24 in the consolidated financial statements.

14. Events after the balance sheet date

We refer to note 25 in the consolidated financial statements.

15. Approval of annual report for publication

We refer to note 26 in the consolidated financial statements.