



**Lauritz.com**  
A bid better

## INTERIM REPORT

JULY – SEPTEMBER 2019

Lauritz.com Group A/S

CVR no. 37627542

Company announcement 30 October 2019

## 2019 Highlights

### July – September 2019

- Revenue in line with last year in like for like business. In total revenue increase of 0.8% in Q3 compared to last year.
- Auction Turnover decline of 6.5 percent, primarily due to change in seasonality and is expected to be recovered in Q4.
- Average knockdown price DKK 2,284 (2,502).
- Number of knockdowns 62,547 (61,060).
- Cost level in like for like business in Q3 is reduced by 5 percent compared to last year.
- EBITDA in Q3 is DKK -3,074k, compared to DKK 21k in Q3 in 2018. The decline is primarily due to the expected Q3 loss in the Fine Art business, as Fine Art primarily has auctions in Q2 and Q4. Last year the Fine Art business was not part of the group, but was acquired in March 2019.
- Cash flow improved by DKK 2.1m compared to Q3 in 2018.

### January – September 2019

- Revenue increase by 1.2 percent compared to last year.
- Auction Turnover growth of 2.1 percent.
- Average knockdown price DKK 2,612 (2,597).
- Increase in number of knockdowns 199,397 (196,401).
- Cost level in like for like business in first 9 month of 2019 is reduced by 4 percent compared to last year.
- EBITDA for the 9 month is DKK 5.707k, compared to DKK 2.740k (excluding the gain from the fine art sale) in 2018. Equal to an Auction Turnover Margin<sup>1</sup> of 1.1 (0.5) percent.
- Cash flow improved by DKK 45.5m compared to same period in 2018. The improvement is partly driven by seasonality in the business significantly impacted by timing of Fine Art auctions, and partly due to improved EBITDA.

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

DKK million	July – September		January – September	
	2019	2018	2019	2018
Auction turnover	142,859	152,789	520,833	510,038
Revenue	46,042	45,663	158,825	156,920
Number of Knockdowns (excl. QXL)	62,547	61,060	199,397	196,401
Average Knockdown price (excl. QXL)	2,284	2,502	2,612	2,597
EBITDA	-3,074	21	5,707	43,286
Auction Turnover Margin <sup>1</sup>	-2.2%	0.0%	1.1%	8.3%
Profit	-14,569	-10,373	65,074	17,412
Earnings per share	-0.211	-0.254	1.599	0.427
Cash flow from operations	-18,645	-20,776	-28,143	-73,663

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

## Management Comments

### Guidance for 2019

Our guidance for the full year remains unchanged, at an expected growth in Auction Turnover of 5-7 percent, and EBITDA of DKK 15-25m.

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

Lauritz.com has achieved growth in Auction Turnover of 2.1 percent in the first 9 month of 2019 compared to last year. Resulting in revenue growth of 1.2 percent compared to last year.

The improvement is due to strengthened sales and marketing efforts across the business.

The like for like business has reduced cost by 4 percent compared to last year, partly offsetting the increase in cost from acquired businesses, primarily the fine art business.

EBITDA in the first 9 month of 2019 is DKK 5,707k compared to DKK 2,740k (excluding the gain from sale of the Fine Art business in 2018). Comparing EBITDA like for like with last year shows an increase of DKK 4.4m. EBITDA in Q3 is below last year mainly due to the negative EBITDA in the Fine Art business in Q3, as Fine Art auctions and the related revenue primarily is placed in Q2 and Q4.

The Cash Flow from Operations in Q3 is DKK -18,6m an improvement DKK 2.1m compared to 2018. For the first 9 months of 2019 the Cash flow from operations improved by DKK 45.5m compared to 2018. The improvement is partly driven by seasonality in the business significantly impacted by timing of Fine Art auctions, and partly due to improved EBITDA.

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

### Commercial initiatives

Several commercial initiatives are showing positive effect on the results. Among them, a continued increased focus on sales management, business control and execution both internally in the headquarters and in relation to the individual auction houses.

The comprehensive optimization process that all auction houses have gone through in terms of logistics and handling of the auction supply chain,

has released resources for intensified sales activities, and the efforts are showing now in Q3.

In terms of marketing activities, we are continuously focused on creating local activities including an increase in our outreach via focused social media, which is still showing a positive effect and strengthening our presence in the local and regional communities.

To increase the number of new sellers, a national campaign communicated in national publications and social media, was performed spanning 6 weeks in July and August. The purpose of this campaign, First Time is Special, was to invite potential customers who never sold with Lauritz.com before to try selling with us. This had a positive effect and proved the potential among consumers who never sold with us before. Furthermore, we are continuously communicating our standard free pickup-service and personal booking of experts for private home visits.

We are still targeting professional sellers to consign larger lot stocks or one-off sales within both vintage items and newly produced items. As to the furniture and decoration market, we are approaching design producers to sell e.g. previous season's product inventories or suitable surplus items directly on auction. Furthermore, we have introduced a new overall theme, New Nordic, focusing on high-end newly produced luxury items, promoting these curated theme auctions Internationally and on all platforms.

With regards to Stockholms Auktionsverk, we have observed a continuously positive steady development in Q3. The implementation of Lauritz.com's sales management system is expanding the commercial skills among our Swedish experts whose role is currently changing from a more internal role to a more external role, proactively contacting potential sellers for consignments. Moreover, our focused brand related collaborations with other strong brands and ambassadors are influencing the results positively, and we have strengthened our Stockholm based marketing department to support the positive development further.

### New CEO

On October 1<sup>st</sup> Carsten Rysgaard joined the group as CEO.

**Bengt Sundström, Chairman of the board**

**Carsten Rysgaard, CEO**

**Preben Vinkler Lindgaard, CFO**

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

### **Auctions to the people**

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

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

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

- 29 auction houses in 6 countries
- Over 3 million customer registrations
- Up to 4.0 million visits monthly
- Up to 1.4 million unique visitors monthly
- Visitors from approx. 200 countries
- Around 270.000 lots sold yearly
- Typically over 10.000 lots on auction
- Approx. 1.500 new auctions starting daily
- Lot value from DKK 800 to 15 million
- Auction turnover of DKK 738m in 2018

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

Lauritz.com sources items locally to sell globally. Lauritz.com has 29 physical auction houses in 6 countries. Here local sellers can consign items for auction. Sellers can also interact with the local house by getting an online evaluation, by booking an expert for a home visit or by booking Lauritz.com's pick-up service to transport items from the seller to the auction house. All items are estimated, described and photographed objectively by Lauritz.com's experts. Each lot is put up for an individual timed auction for 5 days, sold to the highest bid and shipped to the buyer. All items are presented on physical viewing in the

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

### **Assortment**

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

### **Customers**

Lauritz.com's customer profile stretches from trendsetters to pensioners, students to top executives. Lauritz.com strives to create a universe that appeals to everyone, whatever their taste, budget or age. The division between men and women between customers is approx. 50/50, typically with a middle to higher income, and in age mainly between 30 to 60 years. Lauritz.com has over 3 million customer registrations and up to 4 million visits monthly. Customers come from approx. 200 countries.

### **Market position**

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

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

### **Business model**

Lauritz.com has a simple business model, based on a healthy premium structure. All auction items are sold in commission (which means that Lauritz.com has no inventory). When an item is sold, the buyer pays 22.5 percent in buyer's premium plus a knockdown fee of DKK 95. The seller pays 15 percent in seller's premium plus a knockdown fee of DKK 150. The buyer pays the knockdown and premiums within 3 days. Lauritz.com pays the seller within 35 days.

### **Geographical expansion**

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

### **Scalable platforms**

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

### **Business opportunities**

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

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

### **Owners**

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



## 1 July – 30 September 2019

### Auction Turnover

Auction Turnover amounted to DKK 142.9m (152.8), a decrease of 6.5 percent compared to last year primarily due to change in seasonality and is expected to be recovered in Q4.

### Revenue

Revenue amounted to DKK 46.0m (45.7), an increase of 0.8 percent compared to Q3 2018. The increase in revenue is driven by increase in commissions and fees on sold items.

### EBITDA and Auction Turnover margin

EBITDA amounted to DKK -3,1m (0.0). The decrease is primarily due to the expected Q3 loss in the Fine Art business, as Fine Art primarily has auctions in Q2 and Q4. Last year the Fine Art business was not part of the group, but was acquired in March 2019. Cost in like for like business has been reduced by 5 percent compared to Q3 last year.

The Auction Turnover Margin amounted to -2.2 (0.0) percent.

### Operating profit

Operating profit/loss for the period amounted to DKK -14.6m (-10.4), the change is primarily due to the reduced EBITDA.

### Net financials

Net financials was DKK -1.4m (-7.7). Net financials mainly consists of interest on the issued bond DKK -1.9m (-4.1) as well as calculated interest on leasing contracts DKK -0.5m (-0.2), other financial expenses DKK -1.2m (-0.8m), interest income on receivables DKK 0.5m (0.7), and exchange gain on the bond debt DKK 1.9m (3.3).

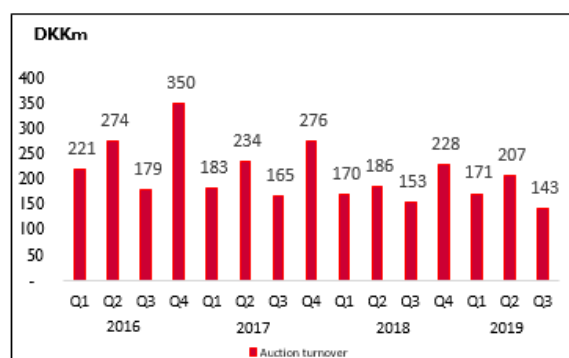
### Tax

Tax amounted to DKK 2.3m (2.8), corresponding to an effective tax rate of 21.3 percent (21.5).

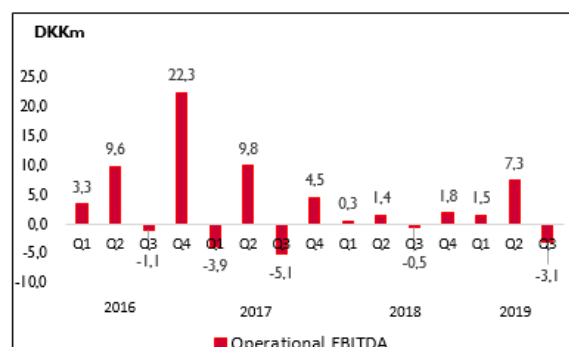
### Profit for the period and earnings per share

Profit for the period was DKK -8.6 (-10.4). Earnings per share amounted to DKK -0.211 (-0.254).

### Auction turnover



### Operational EBITDA



### Cash flow

Cash Flow from operations for Q3 was DKK -18.6m (-20.8). The improvement of the Cash flow in Q3 2019 compared to 2018 is mainly due to seasonality with higher sales in September impacting working capital positively.

### Financial position, cash and cash equivalents

Equity has been restored as a result of the DKK 75.3m impact from the reduction of the bond debt in June 2019. At the end of the quarter equity was DKK 18.7m (-41.6) and the group's total assets were DKK 320.8m (340.7). The equity/assets ratio is 5.8 percent (-12.2).

Cash and cash equivalents amounted to DKK 16.1m (50.0).

### Investments

Investments in Q3 2019 amounted to DKK 0.2m (0.2m), primarily investments in software development.

### Human resources

The average number of full-time employees in Lauritz.com Group A/S and its subsidiaries (FTE) was 164 (125) in the period.

## 1 January – 30 September 2019

### Auction Turnover

Auction Turnover amounted to DKK 520.8m (510.0), corresponding to an increase of 2.1 percent. The increase is driven by growth across the business. The increase in Auction Turnover is driven by a higher average knockdown price and a higher number of items sold in the period.

### Revenue

Revenue amounted to DKK 158.8m (156.9), an increase of 1.2 percent compared to 2018 driven by the growth in Auction Turnover.

### EBITDA and Auction Turnover margin

EBITDA amounted to DKK 5.7m (43.3). Like for like EBITDA in 2018 was DKK 1.3m. The increase is due to the increase in revenue and cost reductions of 4 percent compared to 2018.

The Auction Turnover Margin amounted to 1.1 (8.3) percent.

### Operating profit

Operating profit/loss for the period amounted to DKK -13.1m (24.8m and -15.5m excluding the sales gain in 2018), the DKK 2.4m improvement is primarily due to the improved EBITDA.

### Net financials

Net financials was DKK 72.2m (-3.1). Net financials mainly consists of interest on the issued bond DKK -9.0m (-13.0) as well as calculated interest on leasing contracts DKK -1.2m (-0.7), exchange gain on the bond debt DKK 8.3m (10.8), and the gain from the restructuring of the bond debt DKK 75.3m (0.0).

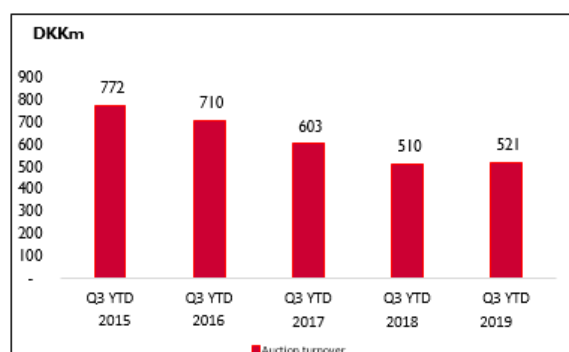
### Tax

Tax amounted to DKK 6.3m (-4.3), corresponding to an effective tax rate of 10.7 percent (19.8).

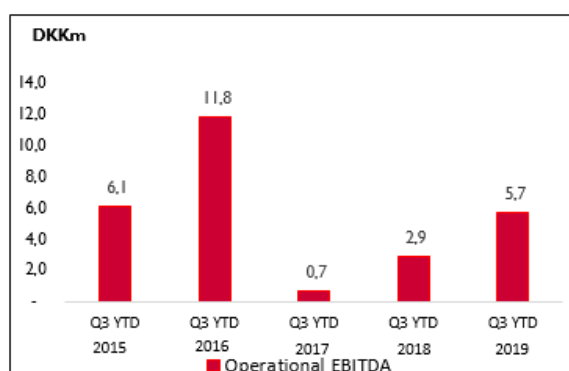
### Profit for the period and earnings per share

Profit for the period was DKK 65.1m (17.4). Earnings per share amounted to DKK 1.599 (0.427).

### Auction turnover



### Operational EBITDA development



### Cash flow

Cash Flow from operations for the period was DKK -28.1m (-73.7). The improvement of the Cash flow compared to 2018 is partly driven by seasonality in the business significantly impacted by timing of Fine Art auctions, and partly due to improved EBITDA.

### Financial position, cash and cash equivalents

Equity has been restored as a result of the DKK 75.3m impact from the reduction of the bond debt in June 2019. At the end of the quarter equity was DKK 18.7m (-41.6) and the group's total assets were DKK 320.8m (340.7). The equity/assets ratio is 5.8 percent (-12.2).

Cash and cash equivalents amounted to DKK 16.1m (50.0).

### Investments

Investments amounted to DKK -7.3m (41.6m), primarily due to investments in software development and acquisition of 51 percent of the Fine Art business.

## **1 January – 30 September 2019**

### **Human resources**

The average number of full-time employees in Lauritz.com Group A/S and its subsidiaries (FTE) was 160 (133) in the period.

### **Shares**

The number of shares registered is 40.792.542.

### **Risks and uncertainty factors**

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

### **Event after the end of the period**

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

### **Future prospects**

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

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

EBT for 2019 is impacted positively by the DKK 75.6m impact from the restructuring of the bond debt.

All numbers are based on exchange rates at the end of Q3 2019.

### **Lauritz.com**

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

### **Finance**

The Group is partly funded by a bond debt, which amounted to DKK 139.6m (229.7). The bond is a senior secured bond of SEK 200m listed on Nasdaq in Stockholm with a fixed interest rate of 4.0 percent on SEK 130m and 7.5% on SEK 70m.

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

### **Seasonality**

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

### **Parent company**

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



## Statement by Management on the Interim Report

The Board of Directors and the Executive Management have today discussed and approved the Interim Report of Lauritz.com Group A/S for the period 1 January to 30 September 2019.

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

In our opinion, the Interim Report gives a true and fair view of the group's financial position at 30 September 2019 and of the results of its operations and cash flows for the period 1 January to 30 September 2019.

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

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

Søborg, 30 October 2019

**Executive Management:** Carsten Rysgaard, CEO; Preben Vinkler Lindgaard, CFO

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

**Company auditor:** Deloitte, Statsautoriseret Revisionspartnerselskabs

**Company details:** Company: Lauritz.com Group A/S, Dynamovej 11, 2860 Søborg, Denmark, Registration No: 37 62 75 42, Søborg, Denmark, phone: + 45 44 50 98 00, Fax: + 45 44 50 98 01, Homepage: [www.lauritz.com](http://www.lauritz.com)

### For more information, please contact:

Preben Vinkler Lindgaard, CFO

E-mail: [preben@lauritz.com](mailto:preben@lauritz.com)

### Reporting schedule

Interim Report, Q4 2019 – 27 February 2020

## Group financial highlights

	YTD 30.09.2019 DKK'000	YTD 30.09.2018 DKK'000	FY 2018 DKK'000	FY 2017 DKK'000	FY 2016 DKK'000
<b>Auction turnover <sup>1</sup></b>	<b>520,833</b>	<b>510,038</b>	<b>738,217</b>	<b>858,893</b>	<b>1,024,232</b>
<b>Statement of comprehensive income</b>					
Revenue <sup>2</sup>	158,825	156,920	227,962	297,120	320,989
Gross profit	91,193	81,746	116,517	192,814	210,138
EBITDA	5,707	43,286	- 6,060	32,104	46,309
Operating profit (EBIT)	- 13,088	24,781	- 61,135	- 7,108	31,958
Net financials	71,860	- 3,074	- 10,908	- 12,922	- 16,209
Profit before tax (EBT)	58,772	21,707	- 72,043	- 20,030	15,749
Tax on profit for the period	6,302	- 4,295	4,882	- 1,268	- 5,081
Profit for the period	65,074	17,412	- 67,161	- 21,298	10,668
<b>Balance sheet</b>					
Non-current assets <sup>3</sup>	233,802	244,288	184,817	228,230	289,841
Current assets	87,000	151,072	155,860	210,822	206,688
Balance sheet total	320,802	395,360	340,677	439,112	496,529
Share capital	4,079	4,079	4,079	4,079	4,067
Equity	18,714	46,495	- 41,642	29,068	62,014
Non-current liabilities <sup>3</sup>	159,511	23,504	16,267	249,962	255,292
Current liabilities <sup>3</sup>	142,578	325,361	366,052	160,082	179,223
<b>Cash flows</b>					
Operating activities	- 28,143	- 73,663	- 37,321	- 7,581	- 5,167
Investing activities	- 7,342	41,568	38,643	- 9,897	90,978
Of this, investments in property, plant and equipment	62	- 365	35,758	- 2,138	- 6,945
Financing activities	3,076	- 7,357	- 9,961	600	- 52,281
Total cash flows	- 32,409	- 39,452	- 8,639	- 16,878	33,530
<b>Ratios:</b>					
Gross margin	57.3%	52.1%	51.1%	64.9%	65.5%
EBITDA margin	3.5%	27.6%	- 2.7%	10.8%	14.4%
Profit margin	- 8.4%	15.8%	- 26.8%	- 2.4%	10.0%
Equity ratio	8.6%	11.8%	- 12.2%	7.8%	12.5%
Return on equity	N/A	43.0%	N/A	- 44.1%	28.3%
Earnings per share	1,595	0.427	- 1.662	- 0.523	0.278
Dividend per share	0	0	0	0	0
Average number of full-time employees	160	133	140	185	204

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

<sup>2</sup> The effect from change in the accounting policy for revenue due to the implementation of IFRS 15 has been updated for the comparison period 2016-2018

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

## Statement of comprehensive income

Notes	Group				
	Q3 2019 DKK'000	Q3 2018 DKK'000	YTD 30.09.2019 DKK'000	YTD 30.09.18 DKK'000	
3	Revenue	46,042	45,663	158,825	156,920
	Direct costs	- 20,222	- 21,645	- 67,632	- 75,174
	<b>Gross profit</b>	<b>25,820</b>	<b>24,018</b>	<b>91,193</b>	<b>81,746</b>
	Other operating income/expenses	-	770	-	40,666
	Other external expenses	- 11,273	- 8,899	- 30,877	- 27,906
	Staff costs	- 17,621	- 15,868	- 54,609	- 51,220
	<b>EBITDA</b>	<b>- 3,074</b>	<b>21</b>	<b>5,707</b>	<b>43,286</b>
	Depreciation and amortisation	- 6,387	- 5,519	- 18,795	- 18,505
	<b>Operating profit/loss (EBIT)</b>	<b>- 9,461</b>	<b>- 5,498</b>	<b>- 13,088</b>	<b>24,781</b>
4	Financial income	2,102	655	85,087	12,800
5	Financial expenses	- 3,547	- 8,379	- 12,846	- 15,874
	Share of result in associated companies	-	-	381	-
	<b>Profit/Loss before tax (EBT)</b>	<b>- 10,906</b>	<b>- 13,222</b>	<b>58,772</b>	<b>21,707</b>
6	Tax on profit/loss for the period	2,326	2,849	6,301	4,295
	<b>Profit/Loss for the period</b>	<b>- 8,580</b>	<b>- 10,373</b>	<b>65,073</b>	<b>17,412</b>
	<b>Items that can be reclassified to profit or loss:</b>				
	Exchange adj., foreign companies	- 1,650	993	- 4,718	- 5,224
	Tax, other comprehensive income	-	-	-	-
	<b>Other comprehensive income</b>	<b>- 1,650</b>	<b>993</b>	<b>- 4,718</b>	<b>- 5,224</b>
	<b>Comprehensive income</b>	<b>- 10,230</b>	<b>- 9,380</b>	<b>60,355</b>	<b>12,188</b>
12	Earnings per share	- 0.211	- 0.254	1.599	0.427
12	Earnings per share, diluted	- 0.211	- 0.254	1.599	0.427

## Balance sheet

	<b>Group 30.09.2019 DKK'000</b>	<b>Group 31.12.2018 DKK'000</b>
<b>Assets</b>		
<b>Notes</b>		
<b>Non-current assets</b>		
7 Software in process of development	7,542	3,741
7 Fully developed software	6,657	11,199
7 Rights acquired	47,342	29,542
7 Goodwill	<u>111,995</u>	<u>94,818</u>
Total intangible assets	<u>173,536</u>	<u>139,300</u>
8 Right-of-use assets	37,040	12,937
8 Other fixtures and fittings, tools and equipment	<u>6,634</u>	<u>7,793</u>
Total property, plant and equipment	<u>43,674</u>	<u>20,730</u>
Deferred tax	13,223	11,084
Deposits	3,369	2,702
Investments in associated companies	<u>-</u>	<u>11,001</u>
Total financial assets	<u>16,592</u>	<u>24,787</u>
<b>Total non-current assets</b>	<b><u>233,802</u></b>	<b><u>184,817</u></b>
<b>Current assets</b>		
Inventories	<u>791</u>	<u>772</u>
9 Trade receivables	10,049	13,823
9 Contractual receivables	41,963	62,085
Tax receivable	1,546	3,396
9 Other current receivables	<u>16,571</u>	<u>25,822</u>
Total receivables	<u>70,129</u>	<u>105,126</u>
Cash and cash equivalents	<u>16,080</u>	<u>49,962</u>
<b>Total current assets</b>	<b><u>87,000</u></b>	<b><u>155,860</u></b>
<b>Total assets</b>	<b><u>320,802</u></b>	<b><u>340,677</u></b>

## Balance sheet

### Equity and liabilities

<u>Notes</u>	<b>Group 30.09.2019 DKK'000</b>	<b>Group 31.12.2018 DKK'000</b>
<b>Equity</b>		
Share capital	4,079	4,079
Other reserves	- 24,599	- 19,957
Retained earnings	<u>39,309</u>	<u>- 25,764</u>
<b>Total equity</b>	<b><u>18,713</u></b>	<b><u>- 41,642</u></b>
<b>Liabilities</b>		
Deferred tax	6,437	9,729
10 Bond debt	125,640	-
Lease liabilities	<u>27,434</u>	<u>6,538</u>
Total non-current liabilities	<u>159,511</u>	<u>16,267</u>
10 Bond debt	13,960	229,673
Senior loan	12,688	-
Lease liabilities	10,571	6,728
Trade payables	77,585	105,885
Other payables	27,164	22,404
Corporate tax payable	<u>610</u>	<u>1,362</u>
Total current liabilities	<u>142,578</u>	<u>366,052</u>
<b>Total liabilities</b>	<b><u>302,089</u></b>	<b><u>382,319</u></b>
<b>Total equity and liabilities</b>	<b><u>320,802</u></b>	<b><u>340,677</u></b>



## Statement of changes in equity

	Share capital	Reserve for treasury shares	Reserve for exchange rate adjustments	Retained earnings	Total Equity
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 1 January 2019	4,079	-76	-19,881	-25,764	-41,642
Profit/Loss for the year	-	-	-	65,073	65,073
Other comprehensive income	-	-	-4,718	-	-4,718
	4,079	-76	-24,599	39,309	18,713
Dividend distributed	-	-	-	-	-
<b>Equity at 30 September 2019</b>	<b>4,079</b>	<b>-76</b>	<b>-24,599</b>	<b>39,309</b>	<b>18,713</b>
<b>Equity at 1 January 2018</b>	<b>4,079</b>	<b>-</b>	<b>-16,408</b>	<b>41,397</b>	<b>29,068</b>
Profit/Loss for the year	-	-	-	-67,161	-67,161
Other comprehensive income	-	-	-3,473	-	-3,473
	4,079	-	-19,881	-25,764	-41,566
Buy-back share program	-	-851	-	-	-851
Remuneration distributed	-	775	-	-	775
Dividend distributed	-	-	-	-	-
<b>Equity at 31 December 2018</b>	<b>4,079</b>	<b>-76</b>	<b>-19,881</b>	<b>-25,764</b>	<b>-41,642</b>

## Cash flow statement

	<b>Group 30.09.2019 DKK'000</b>	<b>Group 30.09.2018 DKK'000</b>
<b>Operating profit (EBIT)</b>	- 13,089	24,781
Depreciation and amortisation	18,334	18,506
Impairments and losses on receivables	-	-
Increase/decrease in inventories	- 19	180
Increase/decrease in receivables	5,960	8,202
Increase/decrease in trade payables and other payables	- 34,014	- 70,135
Gain on sale of non-current assets, net	-	40,546
Other adjustments	- 846	1,024
Cash flows from ordinary operating activities	- 23,674	- 57,988
Interest received	1,555	1,960
Interest paid	- 8,170	- 14,384
Income tax paid incl. joint taxation arrangement	- 2,146	- 3,251
<b>Cash flows from operating activities</b>	<b>- 28,143</b>	<b>- 73,663</b>
Purchase of property, plant and equipment	- 235	- 365
Sale of property, plant and equipment	297	-
Purchase of intangible assets	- 3,802	- 1,582
Sale of assets held for sale	-	35,000
14 Acquisitions and divestments	- 3,602	8,515
<b>Cash flows from investing activities</b>	<b>- 7,342</b>	<b>41,568</b>
Payment for buy-back of shares	-	- 247
Senior loan	12,688	-
Repayment, lease liabilities	- 9,612	- 7,110
<b>Cash flows from financing activities</b>	<b>3,076</b>	<b>- 7,357</b>
Net cash flows for the period	- 32,409	- 39,452
Net capital resources, beginning of period	49,962	60,124
Exchange rate adjustment of capital resources	- 1,473	- 1,684
<b>Net capital resources, end of period</b>	<b>16,080</b>	<b>18,988</b>
Net capital resources, end of period, are composed as follows:		
Cash and cash equivalents	16,080	18,988
Interest-bearing short-term bank loans	-	-
<b>Net capital resources, end of period</b>	<b>16,080</b>	<b>18,988</b>

### 1. Accounting policies

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

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

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

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

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

The interim financial statements for the period 1 January to 30 September 2019 are not influenced by unusual circumstances or changes in accounting estimates.

	<b>Group 30.09.2019 DKK'000</b>	<b>Group 30.09.2018 DKK'000</b>
<b>3. Revenue</b>		
Auction commissions and fees etc.	153,690	151,280
Other fees, marketing contribution etc.	5,135	5,640
Fees from sales of partnership agreements	-	-
	<b>158,825</b>	<b>156,920</b>
<b>4. Financial income</b>		
Interest income	1,554	1,960
Interest income from group enterprises	-	-
Interest income from financial assets	<b>1,554</b>	<b>1,960</b>
Income from debt reduction, net	75,272	-
Exchange rate gains	8,261	10,840
	<b>85,087</b>	<b>12,800</b>
<b>5. Financial expenses</b>		
Interest expenses	448	117
Interest expenses, lease liabilities	1,237	705
Bank charges etc.	562	564
Financial expenses, bond debt	8,997	12,998
Guarantee commission	703	-
Amortisation of borrowing costs, bond debt	899	1,490
Interest expenses from financial liabilities	<b>12,846</b>	<b>15,874</b>
Exchange rate losses	-	-
	<b>12,846</b>	<b>15,874</b>

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

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

The request for the reopening of the tax assessment regarding the property placed at Rovsingsgade 64-68 (ref. Annual Report 2017, p. 47) has been withdrawn by the tax authorities.

## 7. Intangible assets (DKK'000)

	Software in process of development	Developed software	Acquired rights	Goodwill
Cost at 1 January 2019	3,805	53,017	48,207	126,291
Exchange rate adjustments	-	7	1,610	5,411
Additions from subsidiaries/activities acquired	-	-	14,587	21,349
Additions	3,802	-	7,071	-
Transferred	-	-	-	-
<b>Cost at 30 September 2019</b>	<b><u>7,606</u></b>	<b><u>53,023</u></b>	<b><u>68,255</u></b>	<b><u>142,229</u></b>
Amortisation at 1 January 2019	-	41,818	17,465	-
Impairment losses at 1 January 2019	64	-	1,200	31,473
Exchange rate adjustments	-	7	357	1,239
Amortisation for the period	-	4,542	2,605	-
<b>Amortisation and impairment losses at 30 September 2019</b>	<b><u>64</u></b>	<b><u>46,367</u></b>	<b><u>20,913</u></b>	<b><u>30,234</u></b>
<b>Carrying amount at 30 September 2019</b>	<b><u>7,542</u></b>	<b><u>6,657</u></b>	<b><u>47,342</u></b>	<b><u>111,995</u></b>

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



## 7. Intangible assets (continued)

Software includes development projects for IT systems and processes in progress. Apart from goodwill and trademarks, all other intangible assets are regarded as having determinable useful lives over which the assets are amortised, see accounting policies. The carrying amount of trademarks without determinable useful lives totals DKK 21.6m at 30 September 2019 (31.12.2018: DKK 1.0m).

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

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

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

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

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

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

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

## 7. Intangible assets (continued)

### Sensitivity analysis

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

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

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

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

	Right-of-use Assets	Other fixtures etc.
Cost at 1 January 2019	22,376	26,722
Exchange rate adjustments	-	181
Additions from acquisitions	12,108	1,115
Additions	7,571	235
Remeasuring of lease liabilities	13,649	-
Disposal	- 213	- 297
<b>Cost at 30 September 2019</b>	<b><u>55,491</u></b>	<b><u>27,594</u></b>
Depreciation at 1 January 2019	9,439	18,929
Exchange rate adjustments	-	106
Depreciation for the year	9,012	2,136
Depreciation related to disposals	-	-
<b>Depreciation at 30 September 2019</b>	<b><u>18,451</u></b>	<b><u>20,960</u></b>
<b>Carrying amount at 30 September 2019</b>	<b><u>37,040</u></b>	<b><u>6,634</u></b>
	<b>Right-of-use Assets</b>	<b>Other fixtures etc.</b>
Cost at 1 January 2018	-	36,890
Additions due to changes in accounting policies	40,068	-
Exchange rate adjustments	-	569
Additions	-	360
Disposal	- 17,692	- 9,959
<b>Cost at 31 December 2018</b>	<b><u>22,376</u></b>	<b><u>26,722</u></b>
Depreciation at 1 January 2018	-	24,355
Exchange rate adjustments	-	350
Depreciation for the period	9,439	2,372
Depreciation related to disposals	-	7,448
<b>Depreciation at 31 December 2018</b>	<b><u>9,439</u></b>	<b><u>18,929</u></b>
<b>Carrying amount at 31 December 2018</b>	<b><u>12,937</u></b>	<b><u>7,793</u></b>

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

## 9. Receivables

	<b>Group 30.09.2019 DKK'000</b>	<b>Group 31.12.2018 DKK'000</b>
Trade receivables	10,049	13,823
Contractual receivables	41,963	62,085
Other receivables	<u>16,571</u>	<u>16,644</u>
	<b><u>68,583</u></b>	<b><u>92,552</u></b>

Contractual receivables relate to the sale of 8 partnership agreements. The contractual receivables from sale of partnerships agreements are in the range of DKK 2.7m to DKK 21.4m. 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.

Of the contractual receivables DKK 36.0m (2018: DKK 45.8m) is expected to mature after 12 months. Impairment of trade receivables and other receivables is made based on expected credit loss. In the first 9 months of 2019 an impairment loss of DKK 0,0m has been recognized (2018: DKK 20,0m).

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

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

	<b>Group 30.09.2019 DKK'000</b>	<b>Group 31.12.2018 DKK'000</b>
<b>Lifetime Expected Credit Loss:</b>		
Impairment losses at 1 January	19,965	5,169
Impairment losses for the period	-	19,965
Realised for the period	- 6,495	- 5,169
Reversed impairments	<u>-</u>	<u>-</u>
Impairment losses end of period	<b><u>13,470</u></b>	<b><u>19,965</u></b>

**9. Receivables (continued)**

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

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

**10. Bond debt**

The Group has restructured the bond originally issued in 2014

The new bond terms were accepted by bondholders on June 28. The main terms of the bonds are:

- Outstanding principal amount SEK 200m.
- Fixed interest rates of 7.5 percent on SEK 70m of the principal amount and 4.0 percent on SEK 130m of the principal amount. Redemptions will first lead to a reduction of the principal amount that bears the higher interest rate of 7.5 percent.
- Final redemption date is 17 December 2024, with scheduled yearly redemptions, ref note 11.
- Additional security to secure the bonds, primarily in form of a pledge in the vineyard Chateau Vignelaure, owned by the main shareholder in Lauritz.com Group A/S, Bengt Sundström.



## 11. Financial risks

### Currency risks

The Group's currency risks are primarily hedged by matching payments received and made in the same currency. The difference between ingoing and outgoing payments denominated in the same currency is a measure of currency risk. The Group's currency exposure at 30 September 2019 is specified below.

2019 (DKK'000)	Cash and cash equivalents	Receivables	Bond debt and senior loan	Other liabilities	Net position
NOK	71	100	-	-520	-349
EUR	1,190	14,595	-	-5,218	10,567
SEK	8,906	13,168	-152,288	-72,431	-202,645
<b>30 September 2019</b>	<b>10,167</b>	<b>27,863</b>	<b>-152,288</b>	<b>-78,169</b>	<b>-192,427</b>

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

The bonds issued are in SEK and so the principal amount is subject to exchange rate fluctuations between the Company's functional currency (DKK) and SEK. A 5 percent change in the SEK rate at 30 September 2019 would affect comprehensive income and equity by approx. DKK 2m (31.12.2018: DKK 4m). The sensitivity analysis shows the difference between the 30 September 2019 fair value calculated for the Group's assets and liabilities denominated in SEK.

### Interest risks

The Group has interest-bearing financial assets and liabilities and so it is affected by interest rate fluctuations. 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. An increase in the interest rate level of 1 percentage point per annum compared to the interest rate level at the balance sheet date would have had a negative impact of approx. DKK 0m (31.12.2018: DKK 2m) on comprehensive income and equity. A similar decline in the interest rate level would have resulted in an equivalent positive effect on comprehensive income and equity. We refer to the new conditions of the bond debt interest in note 10.

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

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

<b>2019 (DKK'000)</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
Bond debt and senior loan	17,383	3,193	110,772	20,940	152,288
Lease liabilities	5,383	5,188	26,909	525	38,005
Other liabilities	105,359	-	-	-	105,359
<b>30 September 2019</b>	<b>128,125</b>	<b>8,381</b>	<b>137,681</b>	<b>21,465</b>	<b>295,652</b>

<b>2018 (DKK'000)</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
Bond debt	229,673	-	-	-	229,673
Other liabilities	138,196	3,016	6,002	525	147,739
<b>31 December 2018</b>	<b>367,869</b>	<b>3,016</b>	<b>6,002</b>	<b>525</b>	<b>377,412</b>

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

**Credit risks**

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

**Other**

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

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

	<b>Group 30.09.2019 DKK'000</b>		<b>Group 31.12.2018 DKK'000</b>
Profit/Loss for the year	65,073	-	67,161
Number of shares	40,791,312		40,791,312
Average number of shares in circulation	40,703,485		40,409,360
EPS at DKK 0.10	1.599	-	1.662
EPS at DKK 0.10 diluted	1.599	-	1.662

**13. Dividend**

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

## 14. Acquisitions and divestments

### Acquisitions in 2019, AB Stockholms Auktionsverk

In March 2018 Lauritz.com separated Stockholms Auktionsverks Fine Art business into a separate company, AB Stockholms Auktionsverk, owned 51% by Gelba Management AB and 49% by Lauritz.com Sverige AB. A structure that both partners was expecting to be beneficial to the Fine Art business as well as to the Online business that remained under 100% Lauritz.com ownership. It has shown that the split ownership is not the optimal solution in relation to the daily operations of Stockholms Auktionsverks Fine Art business, resulting in the decision to buy back the shares from our partner in March 2019.

	<b>2019</b>
	<b>DKK'000</b>
Fixed assets	966
Right-of-use assets, leased space	12,108
Other receivables	1,210
Cash and cash equivalents	3,638
Leasing liabilities	- 12,108
Trade payables	- 800
Other payables	- <u>5,167</u>
<b>Net assets acquired</b>	<b>- 153</b>
Brand value	14,587
Goodwill	<u>11,349</u>
<b>Total consideration</b>	<b>25,783</b>

No part of the total consideration is recognized as contingent consideration. The Group has acquired net assets totalling DKK -153k including cash acquired of DKK 3,638k. Net assets acquired are based on received balance sheets, and has been adjusted afterwards. The Group has incurred transaction costs of DKK 0k.

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

Value of associated company 31 december 2018, 49%	11,001
Currency rate adjustment	- 295
Share of result for the period 1 January – 5 March 2019, 49%	- <u>380</u>
Value of associated company 5 March 2019, 49%	10,326
Settlement of receivable	11,922
Cash payment for 51% shares	<u>3,536</u>
<b>Total cost of acquisition</b>	<b>25,783</b>

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

Of the Group's revenue DKK 10,392k and DKK -2,070k of the Group's profit/loss before tax is attributable to AB Stockholms Auktionverk.

**Acquisitions in 2019, Danish activities**

	<b>2019</b>
	<b>DKK'000</b>
Fixed assets	150
Deposits	289
Other receivables	40
Other payables	- 412
<b>Net assets acquired</b>	<b>67</b>
Goodwill	10,000
<b>Total consideration</b>	<b>10,067</b>

No part of the total consideration is recognized as contingent consideration. The Group has acquired net assets totalling DKK 67k including cash acquired of DKK 0k. Net assets acquired are based on received balance sheets, and can be adjusted afterwards. The Group has incurred transaction costs of DKK 0k.

The Group acquired the business at a total cost that exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired. This positive difference is primarily attributable to expected future growth potential and earnings. The synergies have not been recognised separately from goodwill as they are not separately identifiable.

Cash payment	67
Non-cash settlement	10,000
<b>Total cost of acquisition</b>	<b>10,067</b>

Of the Group's revenue DKK 3,164k and DKK -1,381k of the Group's profit/loss before tax is attributable to the acquired danish activities.

Had the 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 be impacted by approximately DKK -0.4 to -0.5m compared to the reported profit/loss before tax for the group.

**14. Acquisitions and divestments (continued)****Divestments in 2018**

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

	<b>2018</b>
	<b><u>DKK'000</u></b>
Consideration received in cash and cash equivalents	7,416
Shares in Gelba Partners AB (see note 16)	31,251
Contingent consideration	<u>25,111</u>
<b>Total consideration received</b>	<b>63,778</b>
Consideration received	63,778
Goodwill disposal of	- 6,356
Other net assets disposal of	<u>- 17,441</u>
<b>Gain on disposal 30 September 2018</b>	<b>39,981</b>

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

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

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

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

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

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

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

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

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

\* The company is not audited by Deloitte.

**16. Related parties (continued)**

**Transactions with related parties**

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

As part of the restructuring of the bond the main shareholder Blixtz Holding A/S has provided additional security to the bondholders. The issuer of the bonds Lauritz.com A/S pays an annual commission of 2 percent to the main shareholder as consideration for the provided security.

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

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

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