

Lauritz.com A/S
CVR no. 24 99 45 70

Interim Report

January – June 2016

Company announcement of 24 August 2016

Q2 2016 vs. Q2 2015

- Revenue decreased by 3 % to DKK 59.6m (DKK 61.3m)
- EBITDA is DKK12.4m (DKK12.6m)
- EBITDA margin is 20.8 % (20.6 %)
- Adjusted EBITDA is DKK 13.7m (DKK 12.6m)
- Adjusted EBITDA margin is 23.1 % (20.6 %)
- EBIT is DKK 9.1m (DKK 9.8m)
- EBIT margin is 15.3 % (16.0 %)
- Profit for the period is DKK 9.1m (DKK -1.5 m)
- Basic earnings per share is DKK 151.8 (DKK -24.4)
- Diluted earnings per share is DKK 151.8 (DKK -24.4)

January – June 2016 vs. January – June 2015

- Revenue increased by 0.1 % to DKK 105.2m (DKK 105.1m)
- EBITDA is DKK 16.1m (DKK 14.8m)
- EBITDA margin is 15.3 % (14.0 %)
- Adjusted EBITDA is DKK 18.0m (DKK 14.8m)
- Adjusted EBITDA margin is 17.1 % (14.0 %)
- EBIT is DKK 9.6m (DKK 9.7m)
- EBIT margin is 9.2 % (9.2 %)
- Profit for the period is DKK 7.0m (DKK -13.4m)
- Basic earnings per share is DKK 117.1 (DKK -222.5)
- Diluted earnings per share is DKK 117.1 (DKK -222.5)

A review of agreements entered into in the first half of 2016 in respect of opening new auction houses

It is a vital part of Lauritz.com's expansion strategy to establish new auction houses in existing and new countries. The Group typically establishes a new auction house either by entering into a new partnering agreement within its partner (franchise) model or by acquiring a traditional auction house that is then converted fully to Lauritz.com or continues to be operated under the brand in question with online auctions on Lauritz.com's platform. Establishing local auction houses primarily takes place to ensure accessibility for selling customers. I.e. to be able to offer potential sellers the opportunity to consign locally to have their items at auction on Lauritz.com's international platform. Below are 3 initiatives concerning establishment of new auction houses, which over time are designed to ensure growth in turnover on auctions and in revenue.

At the end of Q2, Lauritz.com acquired the auction house Karlstad-Hammerö Auktionsverk AB, a Swedish auction house with a well-established network of local customers, a respected brand and with high profit margin. Integration of Karlstad-Hammerö Auktionsverk AB has been initiated and in coming months local sellers will therefore be able to begin to sell items online at Lauritz.com. For the time being the Group will retain Karlstad-Hammerö Auktionsverk's existing online auction platform, on which customers can still sell less expensive items, often below DKK 800, which is the lower limit for being able to put an item on auction at Lauritz.com.

Also in Q2, Lauritz.com has entered into a new 5-year partnering agreement for establishing and operating a new Lauritz.com auction house in Central Jutland in Denmark. Lauritz.com will then have 14 auction houses in Denmark. The partnering agreement has been entered into with the current partners in the Lauritz.com auction house in Aalborg.

Furthermore, Lauritz.com has entered into a conditional sale-leaseback agreement in Q2 in respect of sale of a large property on Rovsinggade in Copenhagen. The Group is planning to move its headquarters to this address and intends to open a new Lauritz.com auction house here. This will be the Group's second auction house in Greater Copenhagen, as the Lauritz.com auction house in Herlev is outgrowing its physical space. The aim is to open at the new address at the end of 2017 following a relatively large renovation project.

Other major initiatives implemented in the first half of 2016

Since acquisition of Stockholms Auktionsverk in 2014, the Group has implemented a range of initiatives to integrate the new company in the Group to increase both turnover on auctions as well as revenue. In February 2016, the Group introduced the option of consigning to Stockholms Auktionsverk at Lauritz.com's premises at the Globe in Stockholm, as Stockholms Auktionsverk was running short of space and saw potential in the location in respect of potential local sellers, while Lauritz.com had further capacity to accelerate growth in their premises. Experience for the first six months of the year is regarded as particularly positive with growth of 35 % in turnover on auctions at the address. When a potential seller visits the auction house, the auction house valuation specialists advise the seller with respect to whether the item in question is better suited to sale at Lauritz.com's or at Stockholms Auktionsverk's online auctions. It is currently being evaluated whether the Group will launch a similar closer tie between the two brands in Lauritz.com's other auction houses in Sweden.

In connection with this spring's physical auctions at Stockholms Auktionsverk, the Group has launched a new digital catalogue. The initiative is part of the Group's strategy to digitalize and internationalize Stockholms Auktionsverk's brand and auctions, the intention being to make these more accessible for both existing as well as new customers. The digital catalogue shall also be seen as a cost saving at Stockholms Auktionsverk, as the online version replaces the traditional physical catalogue. The saving from converting to digital catalogues for the fine art auctions is expected to be approx. DKK 4m in 2016.

Lauritz.com maintains its expectations for 2016 with a rise in revenue and EBITDA in line with previous guidelines

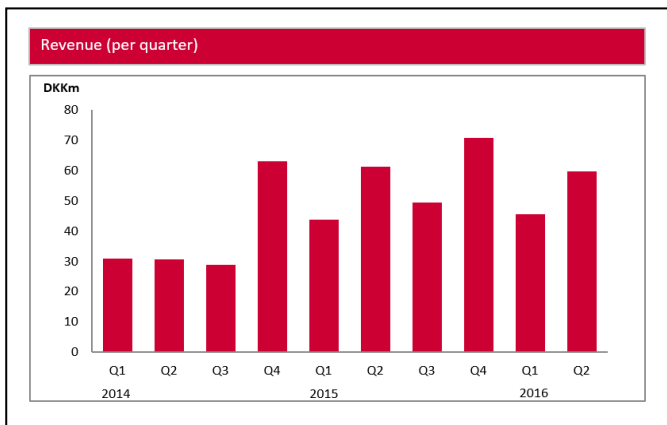
Lauritz.com University carries out continuing development of the Group's employees at all levels in the organization. The department has implemented a new development process for the Group's 27 branch managers' competences within sales management. The purpose of this is to unfurl the potential in getting the Group's valuation specialists to be more proactive with respect to sourcing objects from potential sellers. In a historic perspective, the majority of traditional auction houses and therefore many specialists have had a more wait-and-see approach in relation to bringing items for consignment, while Lauritz.com has a more direct approach with respect to seeking out potential customers, which is now being formalized further through new training targeted to the needs of the individual auction houses. The process has been implemented for around 10 auction houses to date, including a so-called 'Sales School' for specialists. The initiative will in the longer term be expanded to include all auction houses.

Revenue

Revenue has increased by DKK 0.1m in first half-year 2016. However revenue fluctuates depending on the mix between owned or partner-driven auction houses¹.

First half-year 2016 compared to first half-year 2015 one-to-one, revenue has increased to DKK 105.2m from DKK 101.5m equal to 3.6 %.

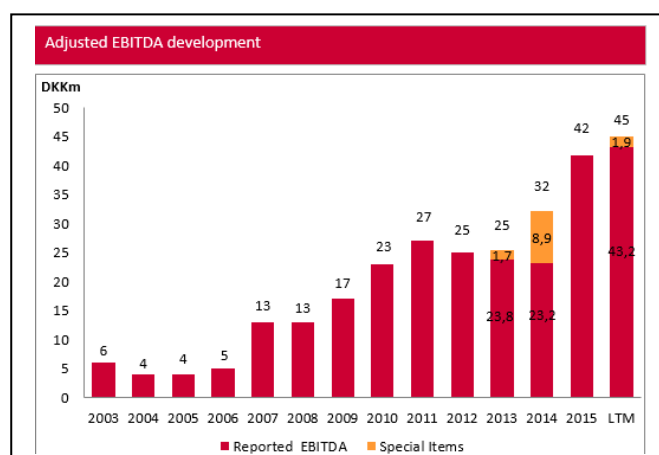
Revenue is primarily commissions and fees from auctions. The increase in revenue corresponds to a higher revenue margin generated on the turnover on auctions and therefore revenue has increased by 3.6 % even though turnover on auction has decreased by 11.6 %.



Adjusted EBITDA development

EBITDA excluding non-recurring items (Adjusted EBITDA) has increased 7.9 % from DKK 41.8m in 2015 to DKK 45.1m per Q2 2016 LTM.

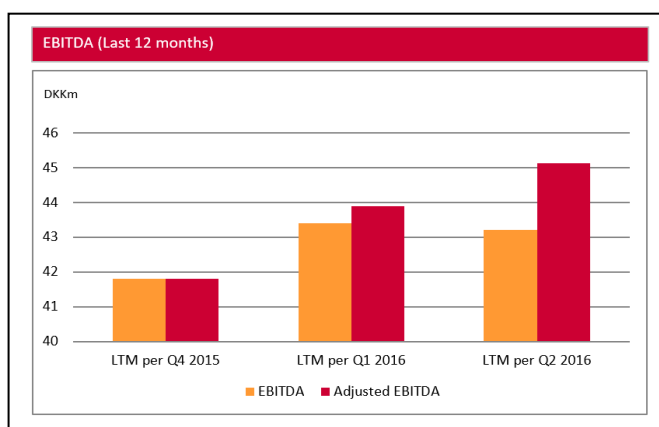
The positive development in adjusted EBITDA is due to increased revenue generated from turnover on auctions and increased profitability of Stockholms Auktionsverk.



EBITDA, Adjusted EBITDA and EBT

EBITDA in the first half-year has increased by 7 % to DKK 16.1m compared with DKK 14.8m in the same period in 2015.

Adjusted EBITDA² in the first half-year has increased by 22 % to DKK 18.0m from DKK 14.8m in the same period in 2015. Earnings before tax (EBT) have improved significantly by DKK 20.8m to DKK 5.4m compared with DKK -15.4m in the same period in 2015. The positive development is a factor of the



increased revenue one-to-one and increased profitability in Stockholms Auktionsverk. EBT has been positively influenced by an unrealized foreign exchange gain of DKK 9.5m with respect to the company's bonds issued in Swedish kroner.

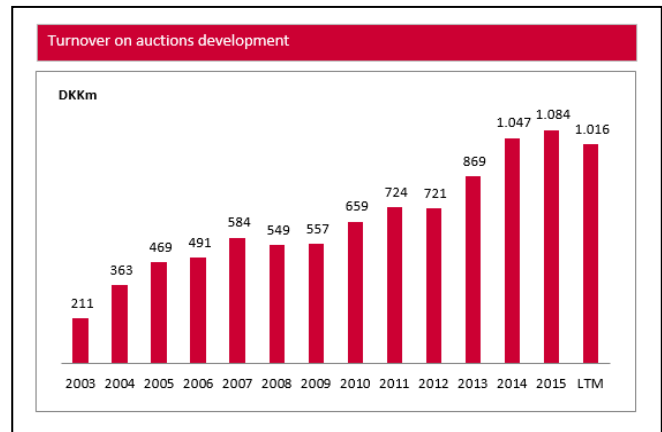
¹ In Q2 2015 two additional auction houses were owned by Lauritz.com while those two in Q2 2016 are partner-driven. Owned auction houses includes all revenue from commissions and fees but also the costs related to running the auction houses while partner-driven auction houses includes a part of the commissions and fees as revenue however with no costs to running the auction house.

² Adjustments to EBITDA in first half-year 2016 are a VAT adjustment regarding 2013-2014 of DKK 0.8m, costs related to the IPO DKK 0.4m, Costs related to acquisitions of DKK 0.2m and legal costs related to 2015 of DKK 0.5m.

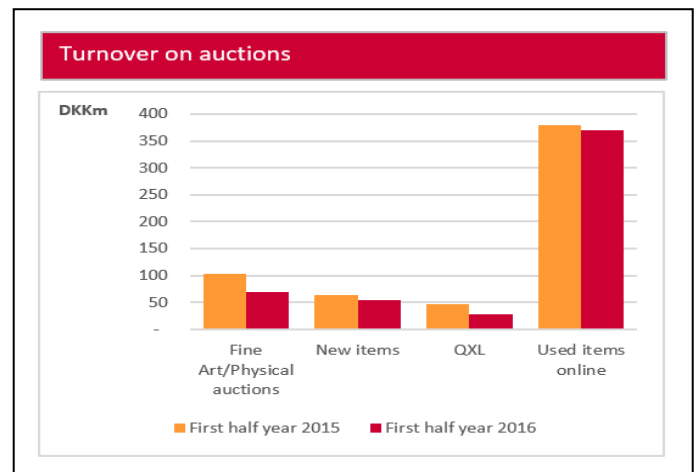
Auction turnover

Development in Lauritz.com Group's turnover on auctions in the first half of 2016 was DKK 521.8m compared with DKK 590.2m in the same period in 2015, i.e. a fall of 11.6 %. The Turnover on auction has per Q2 2016 LTM DKK 1.016m compared to DKK 1.084m in 2015 which is a decrease of 6.3 % equal to DKK 68m primarily related to the first half-year 2016.

The development in turnover can be attributed to 3 specific conditions.



Physical auctions have declined by 32 % (DKK 33m). On the one hand, Stockholms Auktionsverk has experienced a decline in fine art as a reflection of a fluctuating fine art market, and on the other a strategic decision has been made to discontinue physical auction in two of the Group's auction houses in order to focus in future on online auctions.



Turnover on auctions at QXL (peer-to-peer platform) has fallen by 41 % (DKK 18m). This has taken place as a calculated consequence of a range of strategic actions designed to raise the quality of the items and secure future profitability in the form of modified commission and fee structures.

Brand new items on the Lauritz.com platform have experienced a fall of 14 % (DKK 9m). Lauritz.com's management has previously anticipated that sale of brand new items would fall until and including Q2 in 2016. Since a change in valuation principle at the end of 2014 sale of brand new items has declined, as the selling producers, wholesalers and retailers of e.g. branded goods have been concerned whether they can achieve sufficiently high hammer prices.

Development in the financial position

Cash flow

Cash flow from operating activities is DKK 21.9m in Q2 YTD 2016 versus DKK -14.0m in Q2 YTD 2015 which is mainly due to a deferred payment related to the acquisition of Karlstad-Hammarö Auktionsverk per Q2 2016 and seasonality change in amounts due to seller as of 30 June 2016 versus 30 June 2015. Cash flow from financing activities is DKK 96.9m in Q2 YTD 2016 versus DKK 1.9m in Q2 YTD 2015. The increase is primarily due to the full repayment of the receivable from the parent company.

DKKm	Q2 YTD		Fiscal year		
	2016	2015	2015	2014	2013
Cash flow from operating activities	21.9	-14.0	12.7	15.3	23.7
Cash flow from investing activities	-15.4	-13.7	-22.8	-207.1	-39.9
Cash flow from financing activities	96.9	1.9	-2.0	264.0	26.0
Cash flow for the period	103.3	-29.8	-37.5	72.3	9.8
Cash and cash equivalents, opening balance	46.3	81.8	81.8	9.5	-0.3
Cash flow for the period	103.3	-29.8	-37.5	72.3	9.8
Exchange rate differences	-0.9	-	2.0	-	-
Cash and cash equivalents, closing balance	148.7	52.0	46.3	81.8	9.5

Net financial position

Net financial indebtedness has decreased from DKK 183.1m on 31 December 2015 to DKK 172.3m as per 30 June 2016 primarily due to the redemption of 2011-bonds of DKK 13.9m.

DKKm	Q2 YTD		Fiscal year		
	2016	2015	2015	2014	2013
Cash	-148.7	-52.0	-46.3	-81.8	-32.3
Current financial receivables	-	-128.5	-113.8	-124.7	-117.9
Non-current interest bearing financial receivables	-8.3	-0.5	-8.2	-51.1	-0.6
Bank debt	-	-	-	-	48.8
Bonds issued	329.3	349.0	351.4	337.4	31.1
Net financial indebtedness	172.3	168.0	183.1	79.8	-70.9

Principal risks

There are risks relating to IT connected with operation www.lauritz.com. These risks comprise breakdowns, loss of data, competitors or others conducting surveillance of or hacking Lauritz.com's systems, and virus attacks.

Events after the end of the period

On 12 July 2016, a capital increase of DKK 47,088k was made as adopted by Lauritz.com A/S. The capital was increased by way of a cash contribution from Lauritz.com Group A/S. The total share capital is now DKK 53,090k.

On 18 July 2016, Lauritz.com A/S repaid part of the bond loan for DKK 82,221k, equivalent to SEK 100m and a redemption price of 104 plus interest. This partial repayment was made as part of the bondholders' release of the charge on Lauritz.com A/S's property placed at Røvsingsgade 64-68, Copenhagen.

Lauritz.com A/S has formed a partnership with Balclis in Spain. Balclis is one of the leading auction houses in the country. Expectations are that the first auctions will begin at Lauritz.com in late 2016 and that they will not have any significant effect on revenue in 2016.

No other events have occurred after the balance sheet date which could have a material influence on the Company's financial position.

Financial calendar

28 November 2016 Interim Report – Q3 2016 Expected to be published before 5 pm CET

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 A/S for the period 1 January 2016 to 30 June 2016.

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 June 2016 and of the results of its operations and cash flows for the period 1 January 2016 to 30 June 2016.

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, 24 August 2016

Executive Management

Mette Rode Sundstrøm
CEO

Henrik Engmark
COO

Claus Boysen
CFO

Board of Directors

Bengt Sundström
Chairman

John Tyrrestrup

Thomas Schnegelsberg

Tim Frank Andersen

Petra von Rohr

Henrik Blomquist

Josephine Salenstedt

Company details

Company

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Contact

Claus Boysen, CFO
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Company auditor

Deloitte
Statsautoriseret Revisionspartnerselskab

Lauritz.com is the Nordics' biggest auction house. Since the hammer fell in the first online auction in 1999, turnover on auctions has grown from DKK 20m in 2000 to DKK 1,084m in 2015 (turnover on the website expresses activity in the Lauritz.com Group and comprises hammer price and buyer's commission excl. VAT). The Lauritz.com Group employs approx. 370 employees around half of whom 198, are valuation specialists, distributed in 27 auction houses in Denmark, Sweden, Norway, Germany and Belgium.

Lauritz.com A/S is the concept owner and headquarters (HQ). The auction houses are either owned by Lauritz.com A/S or by partners who have a partnering agreement with Lauritz.com A/S.

Lauritz.com Group offers online auctions on www.lauritz.com and auktionsverket.com. Sellers can consign daily to specialists in their nearest Lauritz.com auction house or to Stockholms Auktionsverk, where buyers can also view the items at auction. A wide assortment of art, design, antiques and items of home luxury are offered for sale at auction. Finally, Stockholms Auktionsverk and Helsingborgs Auktionsverk hold around 10 physical fine art auctions annually.

Knowledge resources

Lauritz.com prioritizes recruitment of skilled, ambitious people with strong engagement. Employees shall be able to identify with Lauritz.com's internal description of itself as a Passion Factory, where passion for art, design and antiques goes hand in hand with efficient production and logistics in terms of operation. Lauritz.com is a knowledge-based company and a requisite for future growth is that Lauritz.com retains present staff and attracts new competences. It is also necessary for Lauritz.com to develop and train staff further, which to a large degree takes place through Lauritz.com's internal training programme – Lauritz.com University. Key staff includes branch managers, valuation specialists and IT staff.

Environment

Items sold at auction are primarily secondhand, quality items that by virtue of their design language and quality have demonstrated their durability over long periods of time. In its communication, Lauritz.com is conscious of stimulating precisely the concept of reuse, and through its wide-scale sale of used items helps promote reuse and thereby sustainability in our society. Reuse and recycling saves the world's resources, reduces energy consumption for producing new goods and reduces impact on the environment.

Charity

Lauritz.com has been involved in charity for more than 13 years, collaborating with a wide range of large and small organizations, primarily in Denmark and Sweden. Activities here take the form of charity auctions of e.g. art, furniture, design objects and experiences donated by artists, producers of branded goods, shops or celebrities. Lauritz.com always donated buyer's premium as well as seller's commission and hammer fees.

Group financial highlights

	YTD 30.06.2016 DKK'000	YTD 30.06.2015 DKK'000	FY 2015 DKK'000	FY 2014 DKK'000	FY 2013 DKK'000
Turnover on auctions ¹	521,835	590,208	1,084,036	1,047,146	868,674

Statement of comprehensive income

Revenue	105,194	105,097	225,152	153,411	117,110
Gross profit	96,778	97,665	207,319	138,490	110,646
EBITDA	16,088	14,758	41,830	23,242	23,792
Operating profit (EBIT)	9,631	9,683	29,655	16,627	18,575
Net financials	- 4,226	- 25,077	- 40,423	- 2,365	- 1,506
Profit before tax (EBT)	5,405	- 15,394	- 10,768	14,262	17,069
Tax on profit for the period	1,623	2,039	2,255	- 3,761	- 2,819
Profit for the period	7,028	- 13,355	- 8,513	10,501	14,250

Balance sheet

Non-current assets	309,314	277,993	298,100	220,001	55,656
Current assets	201,520	213,535	203,465	289,882	169,483
Balance sheet total	510,834	491,528	501,565	509,883	225,139
Share capital	6,002	6,002	6,002	6,000	6,000
Equity	15,250	3,797	13,287	14,550	20,321
Non-current liabilities	342,930	348,437	347,848	350,906	28,862
Current liabilities	152,654	139,294	140,430	144,427	175,956

Cash flows

Operating activities	22,420	- 14,074	- 12,705	15,307	23,721
Investing activities	- 15,474	- 13,728	- 22,806	- 207,073	- 39,885
Of this, investments in property, plant and equipment	- 623	- 4,450	- 7,978	- 3,786	- 2,431
Financing activities	96,387	- 1,999	- 1,999	264,039	26,000
Total cash flows	103,333	- 29,801	- 37,510	72,273	9,836

Ratios:

Gross margin	92.0%	92.9%	92.1%	90.3%	94.5%
EBITDA margin	15.3%	14.0%	18.6%	15.2%	20.3%
Profit margin	9.2%	9.2%	13.2%	10.8%	15.9%
Equity ratio	3.0%	0.8%	2.8%	2.9%	9.0%
Return on equity	49.3%	- 145.6%	- 61.2%	60.2%	68.5%
EPS Basic, DKK	117.1	- 222.5	- 141.4	175.0	237.5
Dividend per share	-	-	0	33	192
Average number of full-time employees	204	204	204	136	135

¹ Turnover on auctions reflect activities on www.lauritz.com, www.qxl.dk, www.qxl.no, mobile apps and Stockholms Auktionsverk/Magasin 5. The amount includes hammer prices, buyer's premiums exclusive of VAT and sales through LauritzOneBid.

Statement of comprehensive income

	Q2 30.06.2016 DKK'000	Q2 30.06.2015 DKK'000	YTD 30.06.2016 DKK'000	YTD 30.06.2015 DKK'000
Turnover on auctions ¹	286,302	321,945	521,835	590,208

Group				
Notes	Q2 30.06.2016 DKK'000	Q2 30.06.2015 DKK'000	YTD 30.06.2016 DKK'000	YTD 30.06.2015 DKK'000
3 Revenue	59,587	61,289	105,194	105,097
Direct costs	- 4,568	- 4,821	- 8,416	- 7,432
Gross profit	55,019	56,468	96,778	97,665
Other operating income	258	225	498	225
Other external expenses	- 15,533	- 16,129	- 29,952	- 31,386
Staff costs	- 27,378	- 27,921	- 51,236	- 51,746
EBITDA	12,366	12,643	16,088	14,758
Depreciation and amortisation	- 3,233	- 2,812	- 6,457	- 5,075
Operating profit (EBIT)	9,133	9,831	9,631	9,683
4 Financial income	8,309	157	10,376	400
5 Financial expenses	- 7,178	- 9,913	- 14,602	- 25,477
Profit before tax (EBT)	10,264	75	5,405	- 15,394
6 Tax on profit for the period	- 1,152	- 1,540	1,623	2,039
Profit for the period	9,112	1,465	7,028	- 13,355
Items that can be reclassified to profit or loss:				
Exchange adj., foreign companies	- 3,608	553	- 5,065	4,573
Tax on other comprehensive income	-	-	-	-
Other comprehensive income	- 3,608	553	- 5,065	4,573
Comprehensive income	5,504	912	1,963	- 8,782
12 EPS, DKK	151.8	24.4	117.1	222.5
12 EPS diluted	151.8	24.4	117.1	222.5

¹ Turnover on auctions reflect activities on www.lauritz.com, www.qxl.dk, www.qxl.no, mobile apps and Stockholms Auktionsverk/Magasin 5. The amount includes hammer prices, buyer's premiums exclusive of VAT and sales through LauritzOneBid.

Balance sheet

	Group 30.06.2016 DKK'000	Group 31.12.2015 DKK'000
Assets		
Notes		
Non-current assets		
7 Software in process of development	7,435	5,996
7 Fully developed software	12,211	13,988
7 Goodwill	139,656	138,501
7 Rights acquired	<u>60,705</u>	<u>52,647</u>
Total intangible assets	<u>220,007</u>	<u>211,132</u>
8 Land and buildings	51,747	51,969
8 Other fixtures and fittings, tools and equipment	<u>16,125</u>	<u>17,058</u>
Total property, plant and equipment	<u>67,872</u>	<u>69,027</u>
Deferred tax	5,208	912
Deposits	1,091	1,091
9 Other non-current receivables	<u>15,136</u>	<u>15,938</u>
Total financial assets	<u>21,435</u>	<u>17,941</u>
Total non-current assets	<u>309,314</u>	<u>298,100</u>
Current assets		
Inventories	<u>1,797</u>	<u>1,547</u>
9 Trade receivables	22,918	18,341
Receivable from Parent Company	228	113,765
9 Other current receivables	<u>27,859</u>	<u>23,523</u>
Total receivables	<u>51,005</u>	<u>151,629</u>
Cash and cash equivalents	<u>148,718</u>	<u>46,289</u>
Total current assets	<u>201,520</u>	<u>203,465</u>
Total assets	<u>510,834</u>	<u>501,565</u>

Balance sheet

Equity and liabilities

<u>Notes</u>	Group 30.06.2016 DKK'000	Group 31.12.2015 DKK'000
Equity		
Share capital	6,002	6,002
Other reserves	- 742	4,323
Retained earnings	<u>9,990</u>	<u>2,962</u>
Total equity	<u>15,250</u>	<u>13,287</u>
Liabilities		
Deferred tax	13,612	9,792
10 Bond debt	<u>329,318</u>	<u>338,056</u>
Total non-current liabilities	<u>342,930</u>	<u>347,848</u>
10 Bond debt	-	13,383
Trade payables	87,125	91,546
Other payables	<u>65,529</u>	<u>35,501</u>
Total current liabilities	<u>152,654</u>	<u>140,430</u>
Total liabilities	<u>495,584</u>	<u>488,278</u>
Total equity and liabilities	<u>510,834</u>	<u>501,565</u>

Statement of changes in equity

	Share capital DKK'000	Other reserves DKK'000	Retained earnings DKK'000	Total equity DKK'000
Equity at 1 January 2015	6,000	-4,898	13,448	14,550
Loss for the period	-	-	-13,355	-13,355
Other comprehensive income	-	4,573	-	4,573
Capital increase, 3 April 2015	2	27	-	29
	6,002	-298	93	5,797
Dividend distributed	-	-	-2,000	-2,000
Equity at 30 June 2015	6,002	-298	-1,907	3,797
Equity at 1 January 2016	6,002	4,323	2,962	13,287
Profit for the period	-	-	7,028	7,028
Other comprehensive income	-	-5,065	-	-5,065
	6,002	-742	9,990	15,250
Dividend distributed	-	-	-	-
Equity at 30 June 2016	6,002	-742	9,990	15,250

Cash flow statement

	Group 30.06.2016 DKK'000	Group 30.06.2015 DKK'000
Operating profit (EBIT)	9,631	9,258
Depreciation and amortisation	6,457	5,075
Increase/decrease in inventories	- 250	- 167
Increase/decrease in receivables	- 4,008	3,185
Increase/decrease in trade payables and other payables	23,305	- 18,164
Other adjustments	- 372	1,401
Cash flows from ordinary operating activities	34,763	588
Interest received	586	400
Interest paid	- 13,424	- 15,062
Income tax paid under a joint taxation arrangement	-	-
Cash flows from operating activities	21,925	14,074
Purchase of property, plant and equipment	- 623	- 4,450
Purchase of intangible assets	- 2,958	- 5,762
14 Acquisitions	- 11,893	- 3,516
Cash flows from investing activities	15,474	13,728
Repayment of loans	110,732	-
Redemption of bonds	- 13,850	-
Proceeds from cash capital increase	-	1
Dividend paid to the Parent's shareholders	-	- 2,000
Cash flows from financing activities	96,882	1,999
Net cash flows for the period	103,333	- 29,801
Net capital resources, beginning of period	46,289	81,783
Exchange rate adjustment of capital resources	- 904	-
Net capital resources, end of period	148,718	51,982
Net capital resources, end of period, are composed as follows:		
Cash and cash equivalents	148,718	51,982
Interest-bearing short-term bank loans	-	-
Net capital resources, end of period	148,718	51,982

1. Accounting policies

The interim report of Lauritz.com 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 2015 consolidated financial statements, which are in accordance with International Financial Reporting Standards as adopted by the EU. We refer to the 2015 annual report for a more detailed description of the accounting policies, including definitions of the disclosed financial ratios calculated in accordance with the definitions provided in "Recommendations and Ratios 2015" as issued by the Danish Association of Financial Analysts.

Changes in accounting policies

Effective from 1 January 2016 the Lauritz.com Group has implemented the new or revised Standards applicable for financial years beginning 1 January 2016 or later.

The implementation of new or revised Standards did not result in changes in the accounting policy applied.

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 2016 to 30 June 2016 are not influenced by unusual items or changes in accounting estimates. Furthermore, it was not considered necessary to update the impairment test as conclusions and assumptions applied in the financial statements for 2015 are still estimated to be valid.

	Group 30.06.2016 DKK'000	Group 30.06.2015 DKK'000
3. Revenue		
Premiums and fees from auctions etc.	102,319	105,097
Commission for conclusion of partnership agreements	<u>2,875</u>	<u>-</u>
	<u>105,194</u>	<u>105,097</u>
4. Financial income		
Interest income	310	89
Interest income from group enterprises	<u>276</u>	<u>311</u>
Interest income from financial assets	586	400
Exchange rate gains	<u>9,790</u>	<u>-</u>
	<u>10,376</u>	<u>400</u>
5. Financial expenses		
Interest expenses	107	43
Bank charges etc.	437	425
Financial expenses, bond debt	12,997	13,858
Amortisation of borrowing costs, bond debt	<u>1,061</u>	<u>1,019</u>
Interest expenses from financial liabilities	14,602	15,345
Exchange rate losses	<u>-</u>	<u>10,132</u>
	<u>14,602</u>	<u>25,477</u>
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 2016 and recognition of a not previously capitalised deferred tax asset of approx. DKK 1.8m. The estimated effective tax rate for Danish enterprises is 22.0 % (2015: 23.5 %). 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.

When demerging the property placed at Rovsingsgade 64-68 on 3 April 2015, no deferred tax was recognised for this property as the Danish tax authorities have stated that instead current tax is incumbent on the property that was sold in 2007 by Ejendomsselskabet Rovsingsgade 60-74 ApS. Ejendomsselskabet Rovsingsgade 60-74 ApS does not consider this correct, and a request for the reopening of the tax assessment thereof is pending. Should a decision be made in favour of Ejendomsselskabet Rovsingsgade 60-74 ApS that the company does not have current tax liabilities regarding the property sold, then deferred tax will instead be incumbent on the property placed at Rovsingsgade 64-68 and in that case Ejendomsselskabet Rovsingsgade 60-74 ApS would pay approx. DKK 13m to Lauritz.com A/S to refund the resulting deferred tax.

7. Intangible assets (DKK'000)

	Software in process of development	Developed software	Acquired rights	Goodwill
Cost at 1 January 2016	9,500	34,086	59,642	138,501
Exchange rate adjustments	-	25	1,839	2,792
Additions from subsidiaries acquired	-	-	11,211	3,947
Additions	1,439	1,519	-	-
Transferred	-	-	-	-
Cost at 30 June 2016	10,939	35,630	69,014	139,656
Amortisation at 1 January 2016	-	20,098	6,995	-
Impairment losses at 1 January 2016	3,504	-	-	-
Exchange rate adjustments	-	13	43	-
Amortisation for the period	-	3,308	1,357	-
Amortisation and impairment losses at 30 June 2016	3,504	23,419	8,309	-
Carrying amount at 30 June 2016	7,435	12,211	60,705	139,656
	Software in process of development	Developed software	Acquired rights	Goodwill
Cost at 1 January 2015	14,104	19,867	57,054	127,913
Exchange rate adjustments	- 56	49	2,588	5,858
Additions from subsidiaries acquired	-	-	-	-
Additions	6,862	2,858	-	4,730
Transferred	- 11,410	11,410	-	-
Cost at 31 December 2015	9,500	34,086	59,642	138,501
Amortisation at 1 January 2015	-	14,888	4,184	-
Impairment losses at 1 January 2015	3,504	-	-	-
Exchange rate adjustments	-	25	9	-
Amortisation for the year	-	5,235	2,802	-
Amortisation and impairment losses at 31 December 2015	3,504	20,098	6,995	-
Carrying amount at 31 December 2015	5,996	13,988	52,647	138,501

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 24.2m at 30 June 2016 (2015: DKK 24.7m).

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, which is why the Group has only one cash-generating unit. The impairment test is therefore made at group level.

At 31 December 2015, Management has tested the carrying amount of goodwill, software in process of development and other intangible assets for impairment. The recoverable amount exceeded then the carrying amount. 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 realised 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 2016 budget period, this is equivalent to an annual EBITDA growth rate of approx 15 % from 2016 to 2020.

EBITDA growth is related to the development in sales at auctions, equivalent to an annual average growth rate of approx 2-8 % during the budget period from 2016 to 2020. When determining investments, the effect of EBITDA growth is included based on historical experience, equivalent to an investment level of approx 15-20 % 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 % (2015: 13.1 %).

The terminal value growth rate of 2 % is based on estimated economic growth.

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

	Lands and buildings	Other fixtures etc.
Cost at 1 January 2016	52,357	36,669
Exchange rate adjustments	-	359
Additions from subsidiaries acquired	-	206
Additions	-	623
Cost at 30 June 2016	<u>52,357</u>	<u>37,139</u>
Depreciation at 1 January 2016	388	19,611
Exchange rate adjustments	-	167
Depreciation for the period	222	1,570
Depreciation at 30 June 2016	<u>610</u>	<u>21,014</u>
Carrying amount at 30 June 2016	<u>51,747</u>	<u>16,125</u>

Assets held under finance leases are included in carrying amount at 679

	Lands and buildings	Other fixtures etc.
Cost at 1 January 2015	-	30,897
Exchange rate adjustments	-	345
Additions from subsidiaries acquired	-	400
Additions	52,357	5,221
Disposal	-	194
Cost at 31 December 2015	<u>52,357</u>	<u>36,669</u>
Depreciation at 1 January 2015	-	15,807
Exchange rate adjustments	-	140
Depreciation for the year	388	3,750
Depreciation related to disposals	-	86
Depreciation at 31 December 2015	<u>388</u>	<u>19,611</u>
Carrying amount at 31 December 2015	<u>51,969</u>	<u>17,058</u>

Assets held under finance leases are included in carrying amount at 976

Additions to land and buildings are attributable to the demerger of the property placed at Rovsingegade 64-68, Copenhagen, effected on 3 April 2015.

9. Receivables

	Group 30.06.2016 DKK'000	Group 31.12.2015 DKK'000
Trade receivables	22,918	18,341
Other receivables, non-current	15,136	15,938
Other receivables, current	<u>27,859</u>	<u>23,523</u>
	<u>65,913</u>	<u>57,802</u>

All trade receivables fall due within 12 months. Non-current receivables relate to the sale of partnership agreements falling due for payment within a period of two to four years.

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

	Group 30.06.2016 DKK'000	Group 31.12.2015 DKK'000
Impairment losses at 1 January	1,158	1,158
Impairment losses for the period	-	-
Realised for the period	-	-
Reversed	<u>-</u>	<u>-</u>
Impairment losses at 30 June	<u>1,158</u>	<u>1,158</u>

No significant single overdue receivables exist at 30 June 2016 for which payment arrangements have not been made or a write-down for bad and doubtful debts has not been made.

10. Bond debt

In 2011, the Group issued corporate bonds, the principal amount of which is DKK 10.0m. The bonds carry interest at a rate of 3.5 % and are redeemed after five years from the date of issue at a price of 135.

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

The fair value of the bonds amounts to DKK 329,221k at 30 June 2016 based on the last trade made on 27 May 2016. On 18 July 2016, Lauritz.com made a partial repayment of the bonds in the nominal amount of DKK 79,059k equal to SEK 100.000k. See note 17 page 28.

The corporate bonds are subject to specific loan covenants determined as follows for the last 12 months (LTM):

10. Bond debt (continued)

Financial covenants determined at 30 June 2016

	Group Q2 2016 DKK'000	EBITDA- ratio
EBITDA, LTM	<u>43,160</u>	
<i>Net interest bearing debt / EBITDA</i>		
Bond debt, non-current	329,318	
Bond debt, current	-	
Other receivables, non-current	- 8,259	
Cash and cash equivalents	<u>- 148,718</u>	
Total net interest bearing debt	<u>- 172,341</u>	<u>3.99</u>
	<u>TARGET</u>	<u>< 5.50</u>
<i>Net Finance Charges / EBITDA</i>		
Interest income, bank - LTM	- 413	
Financial expenses, bond debt – LTM	26,686	
Other interest expenses - LTM	<u>180</u>	
Total net finance charges	<u>26,453</u>	<u>1.63</u>
	<u>TARGET</u>	<u>> 1.50</u>

The Group is in compliance with applicable financial covenants at 30 June 2016.

11. Financial 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 June 2016 is specified below.

2016 (DKK'000)	Cash and cash equivalents	Receivables	Bond debt	Other liabilities	Net position
NOK	327	73	-	-1,094	-694
EUR	1,317	1,339	-	-517	2,139
SEK	26,663	18,670	-329,318	-57,170	-341,155
30 June 2016	28,307	20,082	-329,318	-58,781	-339,710

2015 (DKK'000)	Cash and cash equivalents	Receivables	Bond debt	Other liabilities	Net position
NOK	309	217	-	-1,061	-535
EUR	1,580	1,315	-	-2,829	66
SEK	32,539	13,994	-338,056	-52,292	-343,815
31 December 2015	34,428	15,526	-338,056	-56,182	-344,284

The bonds issued are issued in SEK and so the principal amount is subject to exchange rate fluctuations between the Company's functional currency (DKK) and SEK. A 5 % change in the SEK rate at 30 June 2016 would have affected comprehensive income and equity by approx. DKK 9,5m (31.12.2015: DKK 9m). The sensitivity analysis shows the difference between the 30 June 2016 fair value calculated for the Group's assets and liabilities denominated in SEK.

The Group has interest-bearing financial assets and liabilities and so it is affected by interest rate fluctuations. Fluctuations in the level of interest rates affect the Group's floating-rate bond debt. An increase in the interest rate level of 1 percentage point per annum compared to the interest rate level at the balance sheet date would have had a negative impact of DKK 3m (31.12.2015: DKK 3m) 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.

11. Financial risks (continued)

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 as well as undrawn credit facilities. 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.

The Group is not exposed to significant credit risks 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 very few cases of credit card fraud. Moreover, reputable collaborators are used for managing cash flows, mainly Valitor, ALTAPAY, Danske Bank, SEB and DNB.

The Group regularly assesses its capital structure with a view to ensuring adequate equity with the Company. For 2016 the Group expects to receive dividends from subsidiaries insofar as distribution is considered reasonable. The amount receivable from group enterprises is reduced through distribution of dividend. Expectations for 2016 are that no dividend exceeding the amount receivable from group enterprises will be distributed.

	Group 30.06.2016 DKK'000	Group 30.06.2015 DKK'000
12. Earnings per share (EPS)		
Profit/Loss for the period	<u>7,028</u>	<u>- 13,355</u>
Average number of shares	<u>60,020</u>	<u>60,020</u>
EPS at DKK 100	<u>117.1</u>	<u>- 222.5</u>
EPS at DKK 100 diluted	<u>117.1</u>	<u>- 222.5</u>

13. Dividend

For 2016, DKK 0 in ordinary dividend has been distributed to the shareholders of Lauritz.com A/S, equalling DKK 0 per share (2015: DKK 33 per share).

14. Acquisitions

During the period, the Group has acquired the following enterprises:

Name	Primary activity	Acquisition date	Voting share acquired %
Karlstad-Hammarö Auktionsverk AB	Holding of quality auctions	28.06.2016	100

2016

DKK'000

Property, plant and equipment	206
Rights acquired	11,211
Receivables	1,297
Cash and cash equivalents	2,484
Deferred tax	- 2,467
Trade payables	- 54
Other payables	- 2,247
Net assets acquired	10,430
Goodwill	3,947
Total consideration	14,377

The Group has acquired net assets totalling DKK 10,430k including cash acquired of DKK 2,484k. Net assets acquired are based on preliminary opening balance sheets, which may be adjusted afterwards.

The Group has incurred transaction costs of DKK 230k, classified as other external expenses in the statement of comprehensive income for the period.

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.

14. Acquisitions (continued)

Of the Group's profit for the period, DKK 0k is attributable to Karlstad-Hammarö Auktionsverk AB following the acquisition.

Of the Group's revenue, DKK 0k is attributable to Karlstad-Hammarö Auktionsverk AB. Had the enterprise been acquired with effect from 1 January 2016, revenue for the period 1 January 2016 to 30 June 2016 would have been approx DKK 3,849k and profit for the period would have been approx DKK 1,889k.

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

The Group has provided security for rent for DKK 395k that expires in 2019.

The Group has adopted other property rental agreements with maximum lease terms running until 2025. Rent totals DKK 57,728k, of which DKK 8,771k falls due in 2016.

Car operating leases have been entered into for the years 2016-2018. The leases have fixed lease payments which are indexed annually. The leases are interminable in the period specified.

The Group participates in an international joint taxation arrangement with Blixt 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 from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies.

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

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

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

Ownership

Lauritz.com A/S is wholly owned by Lauritz.com Group A/S, Søborg, Denmark.

16. Related parties (continued)

Subsidiaries	Registered office	Ownership interest
AB Stockholms Auktionsverk *	Stockholm, Sweden	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 %
LC Sverige AB	Stockholm, Sweden	100 %
Internetauktioner i Helsingborg AB *	Helsingborg, Sweden	100 %
LC 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.

Transactions

On 30 June 2016, Lauritz.com A/S received DKK 110,732k in full repayment of its receivable with the ultimate Parent Company, Blixt Holding A/S. DKK 0.3m in interest has been paid during the period.

At 30 June 2016, the Company has a receivable of DKK 228k with the Parent Company, Lauritz.com Group A/S, for management fee.

17. Events after the balance sheet date

On 12 July 2016, a capital increase of DKK 47,088k was made as adopted by Lauritz.com A/S. The capital was increased by way of a cash contribution from Lauritz.com Group A/S. The total share capital is now DKK 53,090k.

On 18 July 2016, Lauritz.com A/S repaid part of the bond loan for DKK 82,221k, equivalent to SEK 100m and a redemption price of 104 plus interest. This partial repayment was made as part of the bondholders' release of the charge on Lauritz.com A/S's property placed at Røvsingsgade 64-68, Copenhagen.

Lauritz.com A/S has formed a partnership with Balclis in Spain. Balclis is one of the leading auction houses in Spain. Expectations are that the first auctions will begin at lauritz.com in late 2016 and that they will not have any significant effect on revenue in 2016. However, in Q4 2016, Lauritz.com A/S expects to spend around DKK 1,000k on extraordinary promotion of Lauritz.com A/S's platform and brand in Spain.

No other events have occurred after the balance sheet date which could have a material influence on the Company's financial position.