



Press release

Copenhagen 20 May, 2016

Lauritz.com Group A/S intends to list on Nasdaq First North Premier in Stockholm

Lauritz.com Group A/S (“Lauritz.com” or “the Company”) confirms its intention to proceed with an initial public offering and listing of its shares on Nasdaq First North Premier (“the Offering”). Lauritz.com is one of the largest Nordic auction houses and one of the leading online auction companies in Northern Europe, with 26 physical auction houses in Denmark, Sweden, Norway, Germany, and Belgium. Lauritz.com introduced quality auctions online in 1999 as an international pioneer and has since then successfully grown its business from DKK 20 million in 2000 to DKK 1,084 million in 2015 in Turnover on Auctions¹. Over the last three years, Lauritz.com has significantly expanded its physical and online presence in Sweden by acquiring e.g. Stockholms Auktionsverk and Helsingborgs Auktionsverk. Furthermore, the Company has solidified its market leading position online through the acquisition of QXL, a peer-to-peer online auction platform. As a result of organic and acquisitive growth, Lauritz.com has seen an increase in registered customer numbers from approximately 8,000 in 2000 to 2.5 million in 2015. Bure Equity AB and Catella Fondförvaltning AB have, subject to certain terms and conditions, undertaken to purchase shares in the Offering amounting to a total of approximately 17.5% of the total shares outstanding in Company upon the completion of the Offering.

Nasdaq First North Premier has approved Lauritz.com’s admission of the Company’s shares to trading, subject to customary conditions, including the approval by the Danish Financial Supervisory Authority of the Offering prospectus to be used in the Offering by the Danish Financial Supervisory Authority. Depending on market conditions, the listing is expected to take place in the second quarter of 2016.

After many years under private ownership, Lauritz.com’s Board of Directors and shareholders believe that now is an appropriate time to broaden Lauritz.com’s shareholder base and list the Company’s shares on Nasdaq First North Premier in order to support Lauritz.com’s continued growth.

In 1999, www.lauritz.com was launched as a pioneer within the international online auction market. Thereby, Lauritz.com initiated a paradigm shift within the international auction industry, by migrating focus from traditional physical auctions to online auctions. Today, the Company aims to take advantage of its first mover position to further strengthen its leading position in the Nordic market and provide the appropriate platform for Lauritz.com’s future international expansion.

The listing of the shares on Nasdaq First North Premier is expected to increase Lauritz.com’s financial strength and enable Lauritz.com’s growth strategy going forward, which entails continued focus on both organic and acquisitive growth.

¹ «Turnover on Auctions» means the knockdown price and buyer commission (excluding VAT) for the total number of lots sold through www.lauritz.com, mobile apps, Stockholms Auktionsverk and Helsingborgs Auktionsverk plus the knockdown price on www.qxl.dk, www.qxl.no and the sales price for items sold on LauritzOneBid

Lauritz.com in brief

Lauritz Christensen Auktioner is one of the oldest auction houses in Denmark, founded in 1885. Bengt Sundström (current majority owner and chairman of the Board), acquired Lauritz Christensen Auktioner in 1998 and initiated the digitalisation process. The Company's name was changed to Lauritz.com in 1999 and in December 1999 www.lauritz.com was launched as the first traditional physical auction house worldwide to convert to online auctions, with the aspiration to revolutionise the business internationally with a concept idea of combining the best of traditional auctioneering (expertise, reliability and physical viewing) with modern technology (accessibility, flexibility and reach).

Lauritz.com's vision is to do 'Auctions to the people' by introducing the auction concept to the modern consumer and to democratise the auction business internationally by providing 'Quality auctions online'. The ultimate growth ambition is to establish Lauritz.com in all countries where there is an IKEA and inspire everyone to sell and buy on auction.

Today, Lauritz.com has 26 auction houses located in Denmark (13), Sweden (8), Norway (1), Germany (3) and Belgium (1). In the auction houses, sellers are able to consign items daily to Lauritz.com's in-house experts while bidders may look at items physically. All lots are estimated, described and photographed prior to being put on auction. All bidding is done online except for a few annual physical fine art auctions.

The Lauritz.com platform focuses on a broad assortment within art, design, antiquities and home luxury with an item with a value above DKK 800. The Company offers both sellers and buyers a strong customer value proposition prioritizing expertise, convenience, online traffic, security and a competitive price offering.

Lauritz.com's positioning with focus on the large middle market have led to a continuous increase in its registered customer numbers from 8,000 in 2000 to more than 2.5 million in 2015 (including Stockholms Auktionsverk and QXL). Today, approximately 13,100 new customer numbers are registered every month. The online traffic shows approximately 5.7 million monthly visits, around two million unique monthly visitors and 1,345,000 monthly bids. The visits come from approximately 200 countries.

Lauritz.com operates both through its own auction houses and through auction houses operated by partners under partnership agreements. The partnership model is a variation of franchise where the local partner has the right to run an auction house under the Lauritz.com brand within a certain conceptual framework. Out of the 26 Lauritz.com auction houses, eight are owned by Lauritz.com and 18 are owned by its partners. Lauritz.com is also active in the Danish and Norwegian markets through its wholly owned subsidiaries QXL Denmark A/S and QXL.no AS, an online peer-to-peer auction platform, focusing on items with a value of less than DKK 800.

With the acquisitions of Stockholms Auktionsverk and Helsingborgs Auktionsverk in 2014 and Kunst- & Auktionshaus HERR in 2015 (asset transfer), the Company also offers physical auctions (so-called fine art auctions). However, in 2015, over 80% of all knockdown was derived from online auctions. The Company's ability to move classical auction houses online was demonstrated by the acquisition and integration of Stockholms Auktionsverk, which showed an online auction growth of 13.4% in 2015 compared to the full year 2014.² At the same time, Lauritz.com raised the EBITDA of Stockholms Auktionsverk from SEK 1.6 million in 2014 (full year) to SEK 8.5 million in 2015.

Since 2000, Lauritz.com has shown strong growth with Turnover on Auctions increasing from DKK 20 million to DKK 1,084 million in 2015. The growth has been both organic and acquisitive as Lauritz.com has consolidated its market position in a fragmented market. In 2015, the Turnover on Auctions was DKK 1,084 million and EBITDA reached DKK 42 million. For the first quarter 2016, Turnover on Auctions and EBITDA was DKK 236 million and DKK 4 million, respectively. The Company expects EBITDA growth between 20-40% in 2016.

² Please note that Lauritz.com acquired Stockholms Auktionsverk on 15 September, 2014

Key strengths and competitive advantages

- One of the Nordic's largest and one of Northern Europe's leading auction houses
- Uniquely positioned towards the customer and first mover online
- Foundation built on an asset light and scalable business model with resiliency and barriers to entry
- Track record of M&A in a fragmented market
- Excellent growth track record and future potential

Strategy in brief

- Continue to expand geographically through M&A, partner establishments and greenfield establishments
- Focus on customer development to increase Turnover on Auctions by e.g. converting buyers and bidders into sellers and inspire buyers to bid on more categories and lots
- Continue to build the Lauritz.com brand by utilising the marketing techniques that have resulted in an aided brand awareness of 97% in Denmark³
- Grow organically by introducing new item categories for auction, reflecting demand in the market
- Optimise business and revenue streams by e.g. continuing to look at how to optimise payment services, transportation solution and customer experience
- Utilise the reach of the established platform and customer base by offering additional business areas and products
- Continue to develop Lauritz.com's organisation through Lauritz.com University, a strong asset in training staff in all aspects relating the business of the Company

Outlook

- Lauritz.com expects to increase EBITDA in 2016 by 20-40% compared to 2015
- To support further growth, Lauritz.com has signed an agreement to acquire the shares in Karlstad-Hammarö Auktionsverk AB, subject to the completion of the Offering. In addition, Lauritz.com has also signed a new 5-year partnership agreement in Denmark for establishment and operation of a new Lauritz.com auction house in central Jutland in Denmark. The partnership agreement has been entered into with the current partners in the Lauritz.com auction house in Aalborg
- Lauritz.com has signed a 5-year partnership agreement for operation of the Lauritz.com auction house in Hamburg as from 1 July 2016. Overall this will have a positive effect on EBITDA in 2016 of approximately DKK 2.5 million

The Offering in brief

- The Offering is expected to consist of a mix of newly issued shares as well as existing shares, which will be offered by the main shareholder, Lauritz.com Holding A/S
- The shares will be offered to qualified investors in Sweden and internationally and to the general public in Sweden and Denmark

³ Study conducted online by "Userneeds" in September 2015

- Bure Equity AB and Catella Fondförvaltning AB have, subject to certain conditions and subject to a market value of the Company's shares not exceeding SEK 826 million, undertaken to acquire shares in the Offering corresponding to approximately 17.5 percent of the total amount of outstanding shares upon completion of the Offering
- The Board of Directors of the Company will in connection with the completion of the offering propose to the shareholders' meeting that a representative from Bure Equity AB be offered a place on the Board Directors of the Company
- Part of the proceeds from the sale of existing shares will be used to settle an intercompany loan
- The Company intends to apply for a listing on Nasdaq Stockholm within 12 months of the listing on Nasdaq First North Premier
- The Offering is expected to be executed using a customary price range with the final offering price being determined through a book-building process. Full terms of the Offering will be announced through a prospectus
- ABG Sundal Collier is acting Global Coordinator in the offering. Avanza and Nordnet are acting as selling agents in the retail offering
- Linklaters and LETT are acting as legal advisors to the Company and the current shareholders and Baker & McKenzie is acting as legal advisor to ABG Sundal Collier

For more information, please contact:

Claus Boysen, CFO

Phone: +45 28 49 18 46

E-mail: Claus@lauritz.com

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