



# LAURITZ

## INTERIM REPORT

JANUARY – MARCH 2021

Lauritz.com Group A/S

CVR no. 37627542

Company announcement 31 May 2021

## 2021 Highlights

### January – March 2021 (continuing operations)

- Auction Turnover increase of 20 percent.
- Revenue increase of 16 percent.
- Average knockdown price in Q1 was DKK 2,897 (2,756).
- Number of knockdowns 39,670 (34,635).
- Cost in line with last year.
- EBITDA improved by DKK 4.2m to DKK 0.1m (-4.1m).
- Profit/loss for the period is impacted less by exchange rate gains than last year.
- Cash flow from operations improved by DKK 7.2m compared to Q1 in 2020.

### Lauritz.com Group A/S key figures (continuing operations)

DKK million	January – March	
	2021	2020
Auction turnover	114,910	95,448
Revenue	32,435	28,043
Number of Knockdowns (excl. QXL)	39,670	34,635
Average Knockdown price (excl. QXL)	2,897	2,756
EBITDA	138	-4,106
Auction Turnover Margin <sup>1</sup>	0.1%	-3.6%
Profit	-960	516
Earnings per share (DKK)	-0.024	0.013
Cash flow from operations	5,426	-1,776

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

## Management Comments

In the first quarter of 2021 the business of Lauritz.com group continued the growth shown since July 2020. Growth is high in the continuing business as well as in the part of the business that has been sold in May 2021.

The M&A process has been finalised in May 2021 with a sale of Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany. Following the sale, the group is now fully focussed on the development of the Lauritz brand internationally.

### Development in EBITDA

Auction Turnover for the total business has grown by 28 percent compared to same period last year (where Covid-19 impacted the Nordic region significantly in the period after March 10). For the continuing business Auction Turnover growth compared to Q1 2020 is 20 percent.

The auction revenue has increased by 25 percent compared to last year for the total business, and 16 percent for the continuing business, whereas the operating cost has only increased by 3 percent for the total business and by 0.5 percent for the continuing business.

EBITDA in the first quarter of 2020 increased by DKK 4.2m for the continuing business to DKK 0.1m (-4.1m).

The Cash Flow from Operations for the continuing business in Q1 has increased to DKK 5.4m (-1.8m). The change is mainly driven by the improvement in EBITDA and change in working capital.

### Future organization

To bring Lauritz.com to the next level as to turnover and earnings on shorter and longer terms, including expected roll out of new business areas, a future central management team has been defined. Thus, a new Country Manager Denmark has onboarded the central management team in January 2021, a new CTO joined in April, while a new CMO is planned to join by September.

### Commercial initiatives

Our continued focus on sales management, business control and execution both internally in the headquarter and in all auction houses is showing results, and the rebound is significantly

exceeding the losses driven by Covid-19 in Q1 2020.

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 focusing on the local evaluation and sourcing of items for auction.

In terms of marketing activities, we are continuously intensifying our digital foot print, showing positive effects and strengthening our position within international, national and local communities interested in selling and buying sustainable vintage items of high quality within art, design and collectables.

### Financing

Towards the end of 2019 a review of the capital structure of the group was carried out, resulting in the M&A process that commenced in April 2020 and was finalised in May 2021.

The outcome of the process is that the activities in Sweden, Finland, and Germany has been sold. Most of the proceeds from the sale will be used to reduce the debt of the group by approximately DKK 60m in June 2021 and a further DKK 11m in May 2022, after which the remaining bond debt will be DKK 102m. Further, the terms of the remaining bond debt have been adjusted, lowering the interest rate, and changing the amortization so the bond debt is a standing loan until the maturity date in December 2024.

### Impact on 2020 financial reporting due to the sale of activities

The presentation of the business in the financial statements is impacted by the sale as the sold business is presented as discontinued operations in the statement of comprehensive income, balance sheet and statement of cash flow. The sold part of the business has been reclassified to discontinued operations and the value of the assets included as assets available for sale has been impaired to reflect the achieved sales price.

The sale of the Swedish, Finnish, and German subsidiaries result in an accounting loss as the book value of the sold activities is higher than the achieved sales price, resulting in an impairment loss of DKK 29m. This loss is included in 2020 in Result from discontinued operations.

## **Management Comments**

### **Guidance for 2021**

Following the sale of the Swedish, Finnish, and German activities our guidance for the continuing business is unchanged at:

- Growth in Auction Turnover of 5-15 percent
- Growth in Revenue of 10-20 percent
- EBITDA of DKK 0-8m.

**Bengt Sundström, Chairman of the board**

**Mette Margrethe Rode Sundstrøm, 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**

- 14 auction houses in 3 countries
- Over 3 million customer registrations
- Over 9.000 new customer registrations monthly
- Up to 4.0 million visits monthly
- Up to 1.4 million unique visitors monthly
- Visitors from approx. 200 countries
- Over 144.000 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 424m in 2020

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

Lauritz.com sources items locally to sell globally. Lauritz.com has 14 physical auction houses in 3 countries. Here local sellers can consign items for auction. Sellers can interact with the local house by getting an online evaluation, by booking an expert for a home visit or by booking Lauritz.com's pick-up service to transport items from the seller to the auction house. All items are estimated, described and photographed objectively by Lauritz.com's experts. Each lot is put up for an individual timed auction for 5 days, sold to the highest bid and shipped to the buyer. All items are presented on physical viewing in the given local auction house during the auction period. Major collections or more expensive items are highlighted on special theme actions. Lauritz.com

offers an authenticity guaranty to avoid falsification and copies.

### **Assortment**

Lauritz.com sold over 144.000 lots on auction in 2020. The wide assortment comprises everything from luxury flee market finds to expensive international art works - from DKK 800 and up. The categories cover modern art, antique art and sculptures, furniture, lamps, carpets, ceramics, silver, glass, jewellery, clocks, wine, hunting equipment, collectables and much more. Lauritz.com is exceptionally strong in modern design classics – and probably the leading auction house internationally for 20th century design furniture classics. High volumes are sold daily of the most famous furniture by Scandinavian architects such as Arne Jacobsen, Wegner, Finn Juhl, Poul Kjærholm, Bruno Mathsson, Carl Malmsten etc. The modern furniture categories add up to approx. 40 percent of Lauritz.com's auction turnover.

### **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 4.0 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 a contemporary combination of ebay and Sotheby's.

### **Business model**

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

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

knockdown and premiums within 3 days. Lauritz.com pays the seller within 42 days.

### **Geographical expansion**

The main key success factor in the auction business is to create a sufficient in-flow of items from local private and professional sellers to present to global buyers. Lauritz.com has a strong track record establishing physical auction houses for this vital local sourcing of items. Lauritz.com can open local auction houses in 3 ways; by opening own operations greenfield, by finding local partners to start in a franchise-like model or by acquiring regional auction houses to convert their traditional physical auctions to online auctions.

### **Scalable platforms**

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

### **Business opportunities**

Many opportunities are still to be explored and possibly launched. E.g., management sees a considerable 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 Sundstrøm.



## 1 January – 31 March 2021

(for continuing activities)

### Auction Turnover

Auction Turnover amounted to DKK 114,9m (95.4), an increase of 20.4 percent compared to last year. The growth is partly due to increased Auction turnover driven by commercial activities and partly due the rebound from the impact of the first weeks of the Covid-19 crisis in the second half of March 2020.

### Revenue

Revenue amounted to DKK 32.4m (28.0), an increase of 15.7 percent compared to Q1 2020. The increase in revenue is driven by increase in commissions and fees on sold items primarily due to higher auction turnover.

### EBITDA and Auction Turnover margin

EBITDA amounted to DKK 0.1m (-4.1). The increase is primarily due to the increase in Auction Turnover and Revenue as cost are only increasing by 0.5 percent.

The Auction Turnover Margin amounted to 0.1 (-4.3) percent.

### Operating profit

Operating profit/loss for the period amounted to DKK -1.9m (-6.6), the change is primarily due to the increase in EBITDA.

### Net financials

Net financials was DKK 0.7m (7.3). The change in net financials compared to last year is mainly due a change in exchange rate gains on debt.

### Tax

Corporate tax amounted to an income of DKK 0.2m (-0.2), corresponding to an effective tax rate of 20.2 percent (25.9).

### Profit for the period and earnings per share

Profit for the period was DKK -1.0m (0.5). Earnings per share amounted to DKK -0.024 (0.013).

### Cash flow

Cash Flow from operations for Q1 was DKK 5.4m (-1.8). The main driver of the Q1 cashflow for the continuing activities is EBITDA.

### Financial position, cash and cash equivalents

At the end of the quarter the equity in the group is DKK -39.4m (-1.4) and the group's total assets were DKK 303.9m (297.8), including Assets available for sale of DKK 174.6m (209.1). The equity/assets ratio is -13.0 percent (-0.5). The development in the equity is primarily driven by the impairment of the assets in the sold activities.

The plan for reestablishing the equity of the company/group will be presented at the annual general meeting of the company.

Cash and cash equivalents amounted to DKK 23.4m (18.3).

### Investments

Investments in Q1 2020 amounted to DKK 0.0m (0.3m).

### Human resources

The average number of full-time employees in Lauritz.com Group A/S and its subsidiaries (FTE) was 186 (163) hereof 62 (52) in continuing activities in the period.

## **1 January – 31 March 2021**

### **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.

### **Events after the end of the period**

In April, an agreement for the sale of the Swedish, Finnish, and Germany parts of the business has been signed, and a written procedure amongst the bondholders regarding the potential sale, and changes to the bond terms and conditions has approved the suggested changes. In May, the Carve-out sale and changes to the bond terms and conditions has been completed.

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

### **Future prospects**

Following the sale of the Swedish, Finnish, and German activities our guidance for the continuing business is unchanged at:

- Growth in Auction Turnover of 5-15 percent
- Growth in Revenue of 10-20 percent
- EBITDA of DKK 0-8m.

### **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 145.3m (147.9). The bond is a senior secured bond of SEK 200m with a fixed interest rate of 4.0 percent on SEK 130m and 7.5% on SEK 70m.

Following the sale of activities the bond debt will be reduced by SEK 45m in June 2021 and by SEK 15m in May 2022, reducing the bond debt to approximately DKK 102m.

### **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 quarters 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.

### **Annual report 2020**

The 2020 Annual report for Lauritz.com Group A/S will be published on June 10 2021. The approval of the annual report will take place at the annual general meeting on June 25, 2021.



## Statement by Management on the Interim Report

The Board of Directors and the Executive Management have today discussed and approved the Interim Report of Lauritz.com Group A/S for the period 1 January to 31 March 2021.

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

In our opinion, the Interim Report gives a true and fair view of the group's financial position at 31 March 2021 and of the results of its operations and cash flows for the period 1 January to 31 March 2021.

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, May 31st 2021

**Executive Management:** Mette Margrethe Rode Sundstrøm, CEO; Preben Vinkler Lindgaard, CFO

**Board of Directors:** Bengt Sundström, Chairman; Claus Due Pedersen; Preben Vinkler Lindgaard

**Company auditor:** Deloitte, Statsautoriseret Revisionspartnerselskabs

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### For more information, please contact:

Preben Vinkler Lindgaard, CFO

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### Reporting schedule

Interim Report, Q2 2021      26 August 2021

Interim Report, Q3 2021      28 October 2021

## Group financial highlights

	YTD 31.03.2021 DKK'000	YTD 31.03.2020 DKK'000	FY 2020 DKK'000	FY 2019 DKK'000
<b>Auction turnover <sup>1</sup></b>	<b>114,910</b>	<b>95,448</b>	<b>423,906</b>	<b>414,500</b>

### Statement of comprehensive income <sup>2</sup>

Revenue	32,435	28,043	122,402	128,835
Gross profit	15,379	11,608	54,620	52,012
EBITDA	138	- 4,106	- 5,559	- 3,004
Operating profit (EBIT)	- 1,892	- 6,577	- 14,356	- 14,209
Net financials	689	7,273	- 20,501	61,945
Profit before tax (EBT)	- 1,203	696	- 34,857	47,736
Tax on profit for the period	243	- 180	6,510	7,389
Profit/loss for the period, continuing operations	- 960	516	- 28,347	55,125
Profit/loss for the period, discontinued operations	- 364	- 4,974	- 24,688	- 37
Profit/loss for the period, total	- 1,324	- 4,458	- 53,035	55,088

### Balance sheet <sup>3</sup>

Non-current assets	61,717	51,204	54,752	223,567
Current assets	73,882	67,424	67,913	113,981
Current assets, available for sale	174,616	179,219	209,064	N/A
Balance sheet total	310,215	297,847	331,729	337,548
Share capital	4,079	4,079	4,079	4,079
Equity	- 39,420	- 1,370	- 35,035	12,164
Non-current liabilities	12,112	9,099	5,946	25,319
Current liabilities	254,851	213,753	250,997	300,065
Current liabilities, available for sale	82,672	76,365	109,821	N/A

### Cash flow <sup>4</sup>

Operating activities	5,426	- 1,776	17,556	- 8,761
Investing activities	-	- 347	- 5,449	- 4,403
Of this, investments in property, plant and equipment	-	- 347	- 477	- 384
Financing activities	- 362	- 872	- 1,762	10,366
Total cash flows, continuing operations	5,064	- 2,995	10,295	- 2,798
Total cash flow, discontinued operations	- 15,298	- 22,464	2,685	- 8,717
Total cash flow	- 10,234	-25,459	12,980	- 11,515

<sup>1</sup> Auction turnover reflect activities on [www.lauritz.com](http://www.lauritz.com) and mobile apps. Auction turnover includes hammer prices and buyer's premiums exclusive of VAT. Auction turnover for 2019-2021 is for continuing operations.

<sup>2</sup> Profit/Loss statement for 2019-2021 is for continuing operations.

<sup>3</sup> Balance sheet for 2020 and 2021 is for continuing operations. 2019 balance sheet is not adjusted for discontinued operations.

<sup>4</sup> Cash flow for 2019-2021 is for continuing operations.

## Group financial highlights

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	YTD 31.03.2021 DKK'000	YTD 31.03.2020 DKK'000	FY 2020 DKK'000	FY 2019 DKK'000
<b>Ratios <sup>5</sup></b>				
Gross margin	47.4%	41.4%	44.6%	40.4%
EBITDA margin	0.4%	- 14.6%	- 4.5%	- 2.3%
Profit margin	- 5.8%	- 23.5%	- 11.7%	- 11.0%
Equity ratio	- 13.0%	- 0.5%	- 10.6%	3.7%
Return on equity	- %	- %	- %	- %
Earnings per share (Basic), continuing operations DKK	- 0.024	0.013	- 0.696	1.354
Earnings per share (Basic), discontinued operations DKK	- 0.009	- 0.123	- 0.607	- 0.001
Dividend per share	0	0	0	0
Average number of full-time employees:				
Continuing operations	62	52	57	44
Discontinued operations	124	111	109	113

<sup>5</sup> Ratios for 2019-2021 are for continuing operations.

## Statement of comprehensive income

		Group			
<u>Notes</u>		Q1 2021 DKK'000	Q1 2020 DKK'000	FY 2020 DKK'000	FY 2019 DKK'000
3	Revenue	32,435	28,043	122,402	128,835
	Direct costs	- 17,056	- 16,435	- 67,782	- 76,823
	<b>Gross profit</b>	<b>15,379</b>	<b>11,608</b>	<b>54,620</b>	<b>52,012</b>
	Other external expenses	- 4,790	- 6,407	- 23,340	- 25,235
	Staff costs	- 10,451	- 9,307	- 35,839	- 29,781
	<b>EBITDA</b>	<b>138</b>	<b>4,106</b>	<b>5,559</b>	<b>3,004</b>
	Depreciation and amortisation	- 2,030	- 2,471	- 8,797	- 11,205
	<b>Operating profit/loss (EBIT)</b>	<b>- 1,892</b>	<b>- 6,577</b>	<b>- 14,356</b>	<b>- 14,209</b>
4	Financial income	3,826	9,968	1,764	81,709
5	Financial expenses	- 3,137	- 2,695	- 22,265	- 19,756
	<b>Profit/Loss before tax (EBT)</b>	<b>- 1,203</b>	<b>696</b>	<b>- 34,857</b>	<b>47,736</b>
6	Tax on profit/loss for the period	243	- 180	6,510	7,389
	<b>Profit/Loss for the period:</b>				
	Continuing operations	- 960	516	- 28,347	55,125
7	Discontinued operations	- 364	- 4,974	- 24,688	37
	<b>Profit/loss for the period, total</b>	<b>- 1,324</b>	<b>- 4,458</b>	<b>- 53,035</b>	<b>55,088</b>
	<b>Items that can be reclassified to profit or loss:</b>				
	OCI, continuing operations	-	-	-	-
	<b>OCI, discontinued operations:</b>				
	Exchange adj., foreign companies	- 3,061	- 9,076	5,836	- 1,282
	Tax, other comprehensive income	-	-	-	-
	<b>Other comprehensive income</b>	<b>- 3,061</b>	<b>- 9,076</b>	<b>5,836</b>	<b>- 1,282</b>
	<b>Total comprehensive income</b>	<b>- 4,385</b>	<b>- 13,534</b>	<b>- 47,199</b>	<b>53,806</b>
	Earnings per share, continuing operations				
13	Earnings per share, DKK	- 0.024	0.013	- 0.696	1,354
13	Earnings per share, diluted DKK	- 0.024	0.013	- 0.696	1,354

## Balance sheet

	<b>Group 31.03.2021 DKK'000</b>	<b>Group 31.12.2020 DKK'000</b>
<b>Assets</b>		
<b>Notes</b>		
<b>Non-current assets</b>		
8 Software in process of development	622	622
8 Developed software	4,814	6,200
8 Rights acquired	1,924	2,149
8 Goodwill	<u>23,762</u>	<u>23,762</u>
Total intangible assets	<u>31,122</u>	<u>32,733</u>
9 Right-of-use assets	5,573	5,811
9 Other fixtures and fittings, tools and equipment	<u>3,751</u>	<u>3,796</u>
Total property, plant and equipment	<u>9,324</u>	<u>9,607</u>
Deferred tax	19,116	10,563
Deposits	<u>2,155</u>	<u>1,849</u>
Total financial assets	<u>21,271</u>	<u>12,412</u>
<b>Total non-current assets</b>	<b><u>61,717</u></b>	<b><u>54,752</u></b>
<b>Current assets</b>		
Inventories	<u>87</u>	<u>112</u>
10 Trade receivables	1,860	1,451
10 Contractual receivables	27,531	30,252
Tax receivable	-	-
10 Other current receivables	<u>21,049</u>	<u>17,808</u>
Total receivables	<u>50,440</u>	<u>49,511</u>
Cash and cash equivalents	23,355	18,290
<b>Total current assets</b>	<b><u>73,882</u></b>	<b><u>67,913</u></b>
18 Assets available for sale	174,616	209,063
<b>Total assets</b>	<b><u>310,215</u></b>	<b><u>331,729</u></b>

## Balance sheet

### Equity and liabilities

<u>Notes</u>	<u>Group 31.03.2021 DKK'000</u>	<u>Group 31.12.2020 DKK'000</u>
<b>Equity</b>		
Share capital	4,079	4,079
Other reserves	- 18,464	- 15,403
Retained earnings	- 25,035	- 23,711
<b>Total equity</b>	<b>- 39,420</b>	<b>- 35,035</b>
<b>Liabilities</b>		
Deferred tax	7,629	1,220
Lease liabilities	<u>4,483</u>	<u>4,726</u>
Total non-current liabilities	<u>12,112</u>	<u>5,946</u>
11 Bond debt	145,280	147,940
11 Senior loan	13,204	13,446
Lease liabilities	1,426	1,415
Trade payables	47,147	45,077
Other payables	47,794	43,119
Corporate tax payable	-	-
Total current liabilities	<u>254,851</u>	<u>250,997</u>
19 Liabilities available for sale	82,672	109,821
<b>Total liabilities</b>	<b><u>349,635</u></b>	<b><u>366,764</u></b>
<b>Total equity and liabilities</b>	<b><u>310,215</u></b>	<b><u>331,729</u></b>



**Statement of changes in equity**

	<b>Share capital</b>	<b>Reserve for treasury shares</b>	<b>Reserve for exchange rate adjustments</b>	<b>Retained earnings</b>	<b>Total Equity</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
Equity at 1 January 2021	4,079	-76	-15,327	-23,711	-35,035
Profit/Loss for the year	-	-	-	-1,324	-1,324
Other comprehensive income	-	-	-3,061	-	-3,061
<b>Equity at 31 March 2021</b>	<b>4,079</b>	<b>-76</b>	<b>-18,388</b>	<b>-25,035</b>	<b>-39,420</b>
Equity at 1 January 2020	4,079	-76	-21,163	29,324	12,164
Profit/Loss for the year	-	-	-	-53,035	-53,035
Other comprehensive income	-	-	5,836	-	5,836
<b>Equity at 31 December 2020</b>	<b>4,079</b>	<b>-76</b>	<b>-15,327</b>	<b>-23,711</b>	<b>-35,035</b>

## Cash flow statement

	<b>Group 31.03.2021 DKK'000</b>	<b>Group 31.03.2020 DKK'000</b>
<b>Operating profit (EBIT)</b>	- 1,892	- 6,577
Depreciation amortisation and impairments	2,039	2,550
Impairments and gains/losses on receivables	-	28
Increase/decrease in inventories	- 2	-
Increase/decrease in receivables	4,247	1,731
Increase/decrease in trade payables and other payables	5,660	2,397
Gain on sale of non-current assets, net	-	-
Other adjustments	- 2,872	- 1,832
Cash flows from ordinary operating activities	7,180	- 1,759
Interest received	320	494
Interest and financial expenses paid	- 2,074	- 524
Income tax settled incl. joint taxation arrangement	-	13
<b>Cash flows from operating activities</b>	<b>5,426</b>	<b>- 1,776</b>
Purchase of property, plant and equipment	-	347
Sale of property, plant and equipment	-	-
Purchase of intangible assets	-	-
15 Acquisitions and divestments	-	-
<b>Cash flows from investing activities</b>	<b>-</b>	<b>347</b>
Repayment, lease liabilities	- 362	- 872
<b>Cash flows from financing activities</b>	<b>- 362</b>	<b>- 872</b>
Net cash flows for the period	5,064	- 2,995
Net capital resources, beginning of period	18,290	7,995
Exchange rate adjustment of capital resources	-	-
<b>Net capital resources, end of period</b>	<b>23,354</b>	<b>5,000</b>
Net capital resources, end of period, are composed as follows:		
Cash and cash equivalents	23,354	5,000
<b>Net capital resources, end of period</b>	<b>23,354</b>	<b>5,000</b>

## **1. Going Concern**

As the group is in a turnaround process and was in breach of the terms of the groups bond, there was a need to strengthen its capital structure.

Management of the group has throughout 2020 and 2021 been working to secure sufficient financing to secure the growth and operations of the group. The sale of the Swedish, Finnish, and German activities in May 2021 is a major part of this, securing a reduction of the debt, and improved terms and conditions on the groups bond debt, which should secure that the group can realise the plans for the coming financial year. The changes to the terms and conditions for the bond terms finalized in May 2021 include a reduction of the interest and no annual amortization on the bond which mature in December 2024, making room for operating and developing the business. Further, the group is no longer in breach of the terms and conditions of the bond.

Cash resources are limited and contingent on a continuation of the improvement in the Groups remaining activity and a change to a situation with positive operating cash flows and results. The markets for auctioning and online sale of vintage and luxury items are growing, and the group is working hard to take its share of the market through strong initiatives in marketing and in new business areas under development.

Management is continuing the work on securing further capital for the longer term, looking into financing based on refinancing the bond debt as well as based on equity.

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

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

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

The interim financial statements for the period 1 January to 31 March are not influenced by unusual circumstances or changes in accounting estimates, except for the description in Note 1.

	<b>Group 31.03.2021 DKK'000</b>	<b>Group 31.03.2020 DKK'000</b>
<b>3. Revenue</b>		
Auction commissions and fees etc.	30,863	26,719
Other fees, marketing contribution etc.	1,572	1,324
Fees from sales of partnership agreements	-	-
	<b><u>32,435</u></b>	<b><u>28,043</u></b>
<b>4. Financial income</b>		
Interest income	<u>320</u>	<u>495</u>
Interest income from financial assets	<b>320</b>	<b>489</b>
Exchange rate gains	<u>3,506</u>	<u>9,473</u>
	<b><u>3,826</u></b>	<b><u>9,968</u></b>
<b>5. Financial expenses</b>		
Financial expenses, banks etc.	149	31
Interest expenses, lease liabilities	75	58
Bank charges etc.	183	158
Interest expenses, debt	1,897	1,747
Guarantee commission	<u>833</u>	<u>701</u>
	<b><u>3,137</u></b>	<b><u>2,695</u></b>

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

The tax recognised in the income statement for the interim period has been calculated on the basis of the earnings before tax and an estimated effective tax rate for 2021. The estimated effective tax rate for Danish enterprises is 22.0 percent (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.

## Notes

### 7. Discontinued operations

	Q1 2021 DKK'000	Q1 2020 DKK'000	FY 2020 DKK'000	FY 2019 DKK'000
Revenue	26,176	17,987	91,832	91,393
Direct costs	- 4,720	- 3,201	- 12,046	- 13,040
<b>Gross profit</b>	<b>21,456</b>	<b>14,786</b>	<b>79,786</b>	<b>78,353</b>
Other external expenses	- 4,446	- 4,629	- 13,600	- 18,651
Staff costs	- 13,497	- 12,516	- 49,229	- 48,975
<b>EBITDA</b>	<b>3,513</b>	<b>2,359</b>	<b>16,957</b>	<b>10,727</b>
Depr., amortisation, impairments	- 3,576	- 3,544	- 42,542	- 14,153
<b>Operating profit/loss (EBIT)</b>	<b>- 63</b>	<b>- 5,903</b>	<b>- 25,585</b>	<b>- 3,426</b>
Financial income	7	8	40	42
Financial expenses	- 371	- 460	- 2,324	- 1,580
Share of result in assoc.companes	-	-	-	381
<b>Profit/Loss before tax (EBT)</b>	<b>- 427</b>	<b>- 6,355</b>	<b>- 27,869</b>	<b>- 5,345</b>
Tax on profit/loss for the period	63	1,381	3,181	5,308
<b>Profit/loss for the period</b>	<b>- 364</b>	<b>- 4,974</b>	<b>- 24,688</b>	<b>-37</b>
Earnings per share, discontinued operations:				
Earnings per share, DKK	- 0.009	- 0.123	- 0.607	- 0.001
Earnings per share, diluted DKK	- 0.009	- 0.123	- 0.607	- 0.001

\*) 2020 includes an impairment of available for sale assets of DKK 29.2m.

	31.03.2021 DKK'000	31.03.2020 DKK'000
<b>Cashflow, discontinued activities:</b>		
Cashflow from operational activities	- 12,615	- 19,957
Cashflow from investment activities	-	232
Cashflow from financing activities	- 2,683	- 2,275
<b>Net cashflow for the period</b>	<b>- 15,298</b>	<b>- 22,464</b>
Net capital resources, beginning of the period	33,509	29,882
Exchange rate adjustment of capital resources	- 425	- 1,603
<b>Net capital resources, end of the period</b>	<b>17,786</b>	<b>5,815</b>

## 8. Intangible assets (DKK'000)

	<u>Software in process of development</u>	<u>Developed software</u>	<u>Acquired rights</u>	<u>Goodwill</u>
Cost at 1 January 2021	686	60,726	14,177	23,762
Exchange rate adjustments	-	46	-	-
Additions	-	-	-	-
Transfer	-	-	-	-
<b>Cost at 31 March 2021</b>	<b><u>686</u></b>	<b><u>60,772</u></b>	<b><u>14,177</u></b>	<b><u>-</u></b>
Amortisation at 1 January 2021	-	54,526	10,828	-
Impairment losses at 1 January 2021	64	-	1,200	-
Exchange rate adjustments	-	46	-	-
Amortisation for the period	-	<u>1,386</u>	<u>225</u>	-
<b>Amortisation and impairment losses at 31 March 2021</b>	<b><u>64</u></b>	<b><u>55,958</u></b>	<b><u>12,253</u></b>	<b><u>-</u></b>
<b>Carrying amount at 31 March 2021</b>	<b><u>622</u></b>	<b><u>4,814</u></b>	<b><u>1,924</u></b>	<b><u>23,762</u></b>
Cost at 1 January 2020	64	60,789	69,620	143,174
Exchange rate adjustments	-	63	1,851	4,721
Additions from acquisitions	-	-	-	6,099
Additions	622	-	-	-
Transferred to available for sale	-	-	<u>57,294</u>	<u>119,412</u>
<b>Cost at 31 December 2020</b>	<b><u>686</u></b>	<b><u>60,726</u></b>	<b><u>14,177</u></b>	<b><u>23,762</u></b>
Amortisation at 1 January 2020	-	48,488	21,896	-
Impairment losses at 1 January 2020	64	-	1,200	30,992
Exchange rate adjustments	-	62	443	1,049
Amortisation for the year	-	6,100	2,848	-
Transferred to available for sale	-	-	<u>13,160</u>	<u>32,041</u>
<b>Amortisation and impairment losses at 31 December 2020</b>	<b><u>64</u></b>	<b><u>54,526</u></b>	<b><u>12,028</u></b>	<b><u>-</u></b>
<b>Carrying amount at 31 December 2020</b>	<b><u>622</u></b>	<b><u>6,200</u></b>	<b><u>2,149</u></b>	<b><u>23,762</u></b>



**8. Intangible assets (continued)**

Software includes development projects for IT systems and processes in progress. Apart from goodwill and trademarks, all other intangible assets are regarded as having determinable useful lives over which the assets are amortised, see accounting policies. The carrying amounts of trademarks without determinable useful lives totals DKK 0.0m at 31 March 2021 (0.0m).

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

At 31 December 2020, Management has tested the carrying amount of goodwill, software in process of development and other intangible assets for impairment. An impairment test is performed in the event of indication of impairment and at least once a year as part of the presentation of the Annual Report.

The key assumptions underlying the discounted cashflow calculation of value in use are the determination of Auction Turnover growth, EBITDA growth, discount rate and terminal value growth rate for the 2021 period and the forecast period 2022-2026 and the terminal period.

The assessment of growth rate in Auction Turnover is by nature subject to material uncertainty which naturally impacts the forecasted EBITDA. The Impairment test is based on a successful return to growth, although at a lower growth rate than seen previously and Management assess that the used assumptions are realistic to realize. Impairment recognized for 2020 totals DKK 0m (0m).

Auction Turnover and EBITDA growth is determined based on historical performance, and Auction Turnover and EBITDA realized in the period immediately prior to the beginning of the budget period, adjusted for non-recurring expenses, expected market developments and enterprises acquired and divested.

Impairment test is based on a turnaround where Auction Turnover increases by 5-15 % in 2021 compared to 2020 (no recurrence of the initial impact at the outbreak of Covid-19), and by 5-10% per year in the forecast period 2022 until 2026. Cost development in the forecast period is moderate and primarily driven by increase in commission to partners as well as staff cost and variable cost in own auction houses driven by the higher activity level, whereas the growth in cost for rent of premises is low as the growth in activity can be handled in the physical locations currently in use.

EBITDA is expected to grow from DKK -5.6m in 2020 to a level between DKK 0m and DKK 8m in 2021. This increase in EBITDA is primarily due to growth in Revenue, and further strengthened by a change in business setup with more owned auction houses and a number of cost-cutting initiatives and other initiatives in relation to how the business is operated.

Growth in Auction Turnover is driving value creation in the business. Economies of scale are quite high, resulting in an average yearly growth in EBITDA of 20-30 percent, bringing EBITDA to a level between DKK 20m and 30m at the end of the forecast period.

When determining investments, the effect of EBITDA growth is included based on historical experience, equivalent to an investment level of approximately 15-20 percent of budgeted EBITDA. The effect of expected acquisitions is not included at investment level.

## 8. Intangible assets (continued)

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 11.5 percent (11.5).

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

### Sensitivity analysis

Following the sale of activities the headroom in the impairment test has increased.

The assessment of the assumptions applied when preparing the impairment test is by nature subject to material uncertainty.

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

	<b>Group</b>
	<b><u>2020</u></b>
Average Auction Turnover-growth for 2021 to 2026	3 %
Average EBITDA-growth for 2021 to 2026	8 %
WACC, pre-tax	28 %
Terminal growth	Can not result in impairment on its own

In 2019 the value in use only had a small headroom compared to the book value of the assets, following the impairment made in 2018. Due to this the below sensitivities for 2019 are shown as the additional impairment, that would materialize through a change in the assumptions behind the value in use calculation performed at 31 December 2019.

	<b>Change in</b>	<b>Additional</b>
	<b>Assumption</b>	<b>impairment</b>
	<b><u>Assumption</u></b>	<b><u>2019</u></b>
		<b><u>(DKK m)</u></b>
Average Auction Turnover-growth from 2019 to 2021	- 3%	12
Average Auction Turnover-growth for 2022 to 2026	- 2%	55
Average EBITDA-growth for 2022 to 2026	- 3%	30
WACC, pre-tax	+ 1%	10
Terminal growth	- 0.5%	0

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

	<u>Right-of-use Assets</u>	<u>Other fixtures etc.</u>
Cost at 1 January 2021	9,121	19,960
Additions	-	-
Remeasuring of lease liabilities	151	-
Disposal	-	-
<b>Cost at 31 March 2021</b>	<b><u>9,272</u></b>	<b><u>19,960</u></b>
Depreciation at 1 January 2021	3,310	16,164
Depreciation for the year	389	45
Depreciation related to disposals	-	-
<b>Depreciation at 31 March 2021</b>	<b><u>3,699</u></b>	<b><u>16,209</u></b>
<b>Carrying amount at 31 March 2021</b>	<b><u>5,573</u></b>	<b><u>3,751</u></b>
Cost at 1 January 2020	48,620	25,357
Exchange rate adjustments	3,025	204
Additions	3,270	1,035
Remeasuring of value of assets	14,193	-
Disposals	- 2,507	-
Transferred to available for sale	- 57,480	- 6,636
<b>Cost at 31 December 2020</b>	<b><u>9,121</u></b>	<b><u>19,960</u></b>
Depreciation at 1 January 2020	17,861	19,372
Exchange rate adjustments	1,391	151
Depreciation for the year	12,326	1,145
Depreciation related to disposals	- 2,507	-
Transferred to available for sale	- 25,761	- 4,504
<b>Depreciation at 31 December 2020</b>	<b><u>3,310</u></b>	<b><u>16,164</u></b>
<b>Carrying amount at 31 December 2020</b>	<b><u>5,811</u></b>	<b><u>3,796</u></b>

Right-of-use assets is based on the present value of rental agreements for showrooms, warehouses, office space and other facilities. Depreciation is straight-line on basis of the underlying contracts with an average of 2-3 years.

## 10. Receivables

	<b>Group 31.03.2020 DKK'000</b>	<b>Group 31.12.2020 DKK'000</b>
Trade receivables	1,860	1,451
Contractual receivables	27,531	30,252
Other current receivables	<u>21,049</u>	<u>17,078</u>
	<b><u>50,440</u></b>	<b><u>48,781</u></b>

Contractual receivables relate to the sale of 6 partnership agreements. The contractual receivables from sale of partnerships agreements are in the range of DKK 1.9m to DKK 18.4m. 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 26.6m (36.0m) is expected to mature after 12 months. Impairment of trade receivables and other receivables is made based on expected credit loss. During 2021 impairment losses of DKK 0.0m (2.1m) has been recognized, of which DKK 0.0m (1.8m) is recognised as financial expenses.

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 is 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 recognised impairments.

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

	<b>Group 31.03.2021 DKK'000</b>	<b>Group 31.12.2020 DKK'000</b>
<b>Lifetime Expected Credit Loss:</b>		
Impairment losses at 1 January	3,893	13,951
Realised impairments losses	- 2,285	- 5,874
Impairment losses for the period	-	2,145
Transferred to available for sale	<u>-</u>	<u>6,356</u>
Impairment losses end of period	<b><u>1,608</u></b>	<b><u>3,893</u></b>

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 show indication of impairment.

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

The Group has a bond originally issued in 2014.

The main terms of the bonds at the balance sheet date (31.12.2020) 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.
- Security EUR 10m to secure the bonds, primarily in form of a pledge in the vineyard Chateau Vignelaure, owned by the main shareholder in Lauritz.com Group A/S, Bengt Sundström.

As from May 2021 the bond terms are changed to:

- Redemption SEK 45m to be paid in June 2021 reducing the outstanding principal amount to SEK 155m, and further redemption of SEK 15m May 2022 reducing the outstanding principal to SEK 140m. Redemptions are funded by the sale of activities finalized in May 2021.
- Fixed interest rates of 4 percent on the outstanding principal effective from 17 December 2020.
- Interest for the period 17 December 2020 to 17 December 2021 to be paid at maturity of the bond in December 2024.
- Final redemption date is 17 December 2024, no yearly redemptions.
- Security EUR 10m to secure the bonds, primarily in form of a pledge in the vineyard Chateau Vignelaure, owned by the main shareholder in Lauritz.com Group A/S, Bengt Sundström.

In June 2019, a senior loan facility was issued to Lauritz.com A/S. The main terms of the senior loan are:

- Senior Loan Facility is denominated in SEK equivalent of up to 25mDKK superseding the bond debt.
- Fixed interest rate of 7.5 percent pro annum.

The senior loan is repaid in May 2021 in connection with the sale of activities.

### 12. Financial risks

#### Currency risks

The Group's currency risks for the continuing operations are primarily related to the senior loan and the bond debt denominated in SEK. The remaining currency exposure is primarily in DKK. debt 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 is specified below.

The bonds and senior loan 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 31 March 2021 would, including the effects on intangible assets denominated in foreign currencies, affect comprehensive income and equity by approx. DKK 2m (4m).

**12. Financial risks (continued)****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 (31.12.2019: DKK 0m) 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 conditions of the bond and senior loan debt interest in note 11.

**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>2021 (DKK'000)</b>	<b>0-1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
Bond debt and senior loan	158,484	-	-	158,494
Lease liabilities	1,426	4,483	-	5,909
Other liabilities	94,941	-	-	94,941
<b>31 March 2021</b>	<b>254,851</b>	<b>4,483</b>	<b>-</b>	<b>259,334</b>
Bond debt and senior loan	161,386	-	-	161,386
Lease liabilities	1,415	4,726	-	6,141
Other liabilities	88,196	-	-	88,196
<b>31 December 2020</b>	<b>250,997</b>	<b>4,726</b>	<b>-</b>	<b>255,723</b>

We refer to the new conditions and installment plan of the bond debt in note XXX coming into effect in 2021. Based on the new conditions for the bond, the maturity profile for the liabilities can be presented as follows:

<b>2021 (DKK'000)</b>				
Bond debt and senior loan	45,892	112,592	-	158,494
Lease liabilities	1,426	4,483	-	5,909
Other liabilities	94,941	-	-	94,941
<b>31 March 2021 Pro forma</b>	<b>142,259</b>	<b>117,075</b>	<b>-</b>	<b>259,334</b>



## 12. 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. 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 Group. Reference is made to note 1.

## 13. Earnings per share (EPS)

	<b>Group 31.03.2021 DKK'000</b>	<b>Group 31.12.2020 DKK'000</b>
Profit/Loss for the year, continuing operations	- 960	55,125
Number of shares	40,792,542	40,792,542
Average number of shares in circulation	40,703,907	40,702,907
EPS at DKK 0.10	- 0.024	1.354
EPS at DKK 0.10 diluted	- 0.024	1.354

## 14. Dividend

In 2021, DKK 0 in ordinary dividend has been distributed to the shareholders of Lauritz.com Group A/S, equalling DKK 0 per share (2020: DKK 0 per share).

## 15. Acquisitions and divestments

### Acquisitions in 2021, auction house in Köln

On January 4<sup>th</sup> 2021 the Group acquired the activities of Lauritz.com auction house in Köln from previous partners, to operate these auction houses ourselves.

	<u>DKK'000</u>
Fixed assets	106
Other receivables	219
Cash and cash equivalents	17
Other payables	<u>-342</u>
<b>Net assets acquired</b>	<b>0</b>
Goodwill	<u>-</u>
<b>Total consideration</b>	<b>0</b>

No part of the total consideration is recognized as contingent consideration. The Group has acquired net assets totalling DKK 246k including cash acquired of DKK 0k. 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	<u>-</u>
<b>Total cost of acquisition</b>	<b><u>-</u></b>

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

Had the 2021 acquisitions been made at the beginning of the year the revenue for the group would be the same as reported, and the profit/loss before tax of the group for the period would not be impacted.

The activities acquired in Köln are part of the discontinued activities.

**15. Acquisitions and divestments (continued)****Acquisitions in 2020, auction houses in Hamburg, Hørsholm and Helsingør**

In April, June, and July 2020 the Group acquired the activities of 3 auction houses in Hamburg, Hørsholm, and Helsingør from previous partners, to operate these auction houses ourselves.

	<u>DKK'000</u>
Fixed assets	<u>246</u>
<b>Net assets acquired</b>	<b>246</b>
Goodwill	<u>6,099</u>
<b>Total consideration</b>	<b>6,345</b>

No part of the total consideration is recognized as contingent consideration. The Group has acquired net assets totalling DKK 246k including cash acquired of DKK 0k. 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	246
Non-cash settlement	<u>6,099</u>
<b>Total cost of acquisition</b>	<b>6,345</b>

Of the Group's 2020 revenue DKK 7.905k and DKK -821k of the Group's 2020 profit/loss before tax is attributable to the acquired activities.

Had the 2020 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 -0.5 to -1.0m compared to the reported profit/loss before tax for the group.

**16. 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.

## 17. Related parties

### Related parties with a controlling interest

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

<b>Name</b>	<b>Registered office</b>	<b>Basis of control</b>
Blixtz Holding A/S	Søborg, 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 %
LC Danmark ApS	Søborg, Denmark	100 %
Lauritz Shop A/S *	Søborg, Denmark	100 %
QXL.no AS *	Oslo, Norway	100 %
Helsingborgs Auktionsverk AB (dormant)*	Helsingborg, Sweden	100 %
Lauritz.com Globen AB (dormant)*	Stockholm, Sweden	100 %
Internetauktioner i Helsingborg AB (dormant)*	Helsingborg, Sweden	100 %

Companies available for sale:

Lauritz.com Sverige AB	Stockholm, Sweden	100 %
AB Stockholms Auktionsverk	Stockholm, Sweden	100 %
Lauritz.com Finland OY *	Helsinki, Finland	100 %
Lauritz.com Deutschland GmbH *	Hamburg, Germany	100 %
Lauritz.com Auktionshaus Köln GmbH *	Cologne, Germany	100 %
Karlstad-Hammarö Auktionsverk AB *	Skoghall, Sweden	100 %

\* The company is not audited by Deloitte.

### Related individuals

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

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

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

### Transactions with related parties

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

Assets has been pledged with EUR 10m by the parent Group Blixtz Holding. This agreement includes guarantee commission paid by the Group.

The Group has interest-bearing long-term receivables from parent companies (Blixtz Holding A/S, Ejendomsselskabet Blixtz Aps) at DKK 17.7m (DKK 17.7m) related to the purchase of a property and related to the joint taxation.

## 18. Assets available for sale

	<b>31.03.2021</b>	<b>31.12.2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Rights acquired	42,836	44,134
Goodwill	<u>66,938</u>	<u>68,956</u>
Total intangible assets	<u>109,774</u>	<u>113,090</u>
Right-of-use assets	30,289	31,719
Other fixtures and fittings, tools and equipment	<u>2,052</u>	<u>2,132</u>
Total property, plant and equipment	<u>32,341</u>	<u>33,851</u>
Deferred tax	3,106	11,004
Deposits	<u>312</u>	<u>-</u>
Total financial assets	<u>3,418</u>	<u>11,004</u>
Inventory	<u>24</u>	<u>10</u>
Trade receivables	7,158	11,279
Tax receivable	721	688
Other current receivables	<u>3,394</u>	<u>5,633</u>
Total receivables	<u>11,273</u>	<u>17,600</u>
Cash and cash equivalents	<u>17,786</u>	<u>33,509</u>
<b>Total assets available for sale</b>	<b><u>174,616</u></b>	<b><u>209,064</u></b>

**19. Liabilities available for sale**

	<u>31.03.2021</u> <u>DKK'000</u>	<u>31.12.2020</u> <u>DKK'000</u>
<b>Liabilities</b>		
Deferred tax	-	6,158
Lease liabilities	<u>20,327</u>	<u>21,617</u>
Total non-current liabilities	<u>20,327</u>	<u>27,775</u>
Lease liabilities	12,607	12,500
Trade payables	38,454	59,789
Other payables	<u>11,284</u>	<u>9,757</u>
Total current liabilities	<u>62,345</u>	<u>82,046</u>
<b>Total liabilities available for sale</b>	<u><b>82,672</b></u>	<u><b>109,821</b></u>

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

In April 2021, an agreement for the sale of the Swedish, Finnish, and Germany parts of the business has been signed, and a written procedure amongst the bondholders regarding the potential sale, and changes to the bond terms and conditions has approved the suggested changes. In May 2021, the Carve-out sale and changes to the bond terms and conditions has been completed.

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

**21. 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.

The interim financial statements have been prepared consistently with the accounting policies applied to the 2020 consolidated financial statements, which are in accordance with International Financial Reporting Standards as adopted by the EU. We refer to the 2019 annual report for a more detailed description of the accounting policies, including definitions of the disclosed financial ratios.