

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

Interim Report

January – December 2017

Company announcement 22 February 2018

October – December 2017

- Auction Turnover amounted to DKK 283.4m (363.4), corresponding to a decrease of 22 percent. Excluding a unique extraordinary art collection sold in Q4 2016 the decrease, compared to Q4 last year, is 5 percent.
- Revenue amounted to DKK 59.9m (73.1), corresponding to a decrease of 18 percent. Excluding a unique extraordinary collection sold in Q4 2016 the decrease is 6 percent. Revenue of DKK 7.2m (5.1) relates to fees from sales of partnership agreements.
- Number of knockdowns excluding QXL amounted to 78,146 (91,671) and average knockdown price to DKK 3,579 (3,821).
- EBITDA amounted to DKK 17.4m (26.2).
- Auction Turnover Margin¹ amounted to 6.2 (7.2) percent.
- One-off Impairment loss of DKK 23.2m (0.0m).
- Loss (Profit) for the period amounted to DKK -12.2m (8.1). Excluding the impairment loss the Profit/loss for the period is DKK 2.9m above the same period last year. Earnings per share amounted to DKK -22.98 (15.29).
- The Group complies with applicable financial covenants at 31 December 2017.
- 1 (1) partnership agreement was signed.
- Strategic and financial review is ongoing.

January – December 2017

- Auction Turnover amounted to DKK 886.5m (1,073.4), corresponding to a decrease of 17 percent. Excluding the unique extraordinary art collection sold in Q4 2016 the decrease is 12 percent.
- Revenue amounted to DKK 195.7m (219.4), corresponding to a decrease of 11 percent. Excluding the unique extraordinary collection sold in Q4 2016 the decrease is 7 percent. Revenue of DKK 28.9m (12.0) relates to fees from sales of partnership agreements.
- Number of knockdowns excluding QXL amounted to 305,402 (331,563) and average knockdown price to DKK 2,820 (3,089).
- EBITDA amounted to DKK 44.7m (46.3), corresponding to a decrease of 3.5 percent.
- Auction Turnover Margin¹ amounted to 5.0 (4.3) percent.
- One-off Impairment loss of DKK 23.2m (0.0m).
- Loss (Profit) for the period amounted to DKK -10.9m (11.6). Excluding the impairment loss the Profit/loss for the period is DKK 0.7m above last year. Earnings per share amounted to DKK -20.48 (39.13).
- 4 (3) partnership agreements were signed.

The Group's key figures

DKK million	October – December		YTD	
	2017	2016	2017	2016
Auction turnover	283,424	363,387	886,490	1,073,455
Revenue	59,888	73,146	195,683	219,403
Number of Knockdowns (excl. QXL)	78,146	91,671	305,402	331,563
Average Knockdown price (excl. QXL)	3,579	3,821	2,820	3,089
EBITDA	17,442	26,218	44,692	46,282
Auction Turnover Margin ¹	6.2%	7.2%	5.0%	4.3%
Loss (Profit) for the period	-12,198	8,116	-10,871	11,560
Earnings per share	-22.98	15.29	-20.48	39.13
Net cash flow	-	-	-14,938	31,493

¹ Auction Turnover Margin = EBITDA/Auction Turnover.

Management comments

2017 has been a year with many changes in and around Lauritz.com.

Online trade and trading of used items is growing rapidly, driven by the digitalization and a customer focus on sustainability. Many new offerings to customers are being developed to serve these demands.

Lauritz.com has a unique position between online market places and traditional auction houses. The core concept, being an international online auction marketplace for design, art and antiques - with a high degree of expertise and service – is a successful formula, also with great future potential.

The competitive landscape is increasingly competitive with traditional auction houses as well as new online platforms increasing their efforts to reach Lauritz.com's unique position.

Development and financial results in 2017

Auction turnover in Q4 decreased 22 percent. The decrease is mainly due to a unique extraordinary art collection sold in Q4 2016, excluding this the auction turnover in Q4 was down 5 percent. For the full year the decline is 17 percent, and 12 percent excluding the unique art collection.



* Q4 Adjusted for Unique art collection sold in Q4 2016

The signs of stabilization, following the strong decline in the first half of 2017 is partly an effect of several measures we have taken to improve the customer experience, among others more convenient valuation services and improved transport services.

Revenue was 18 percent lower in Q4 2017 compared to last year, and amounted to DKK 59.9m. Excluding the unique art collection mentioned above revenue is down 6 percent. The decrease is mainly explained by the lower auction turnover, and a negative net effect on revenue

from sold and acquired auction houses DKK -3.1m primarily due to one big auction house owned in Q4 2016 that was not owned in Q4 2017.

For the full year Revenue is 11 percent lower than last year, 7 percent excluding the unique auction mentioned above. The decrease is primarily due to lower auction turnover and a negative net effect on revenue from sold and acquired auction houses DKK -12.5m, partly offset by income from sale of partnership agreements +DKK 16.9m.

EBITDA amounted to DKK 17.4m in Q4 compared to DKK 26.2m the same period last year. The difference is primarily explained by reduction in revenue due to lower auction turnover and high costs related to changes in the management team. This is partly offset by new partnership agreements and the effects of the cost cutting plan that was initiated in the beginning of 2017.

For the full year EBITDA is DKK 44.7m compared to DKK 46.3m last year. The reduction is mainly due to lower auction turnover and the unique art collection sold in 2016. This is partly offset by new partnership agreements and the effects of the cost cutting plan that was initiated in the beginning of 2017.

The operating result for the year is not satisfactory, and we have initiated a number of cost reductions in January 2018, to match costs to the lower Revenue.

Further, we have decided to actively pursue the sale of the property at Rovsingsgade, and expect to sell it during the next 12 month. As a result, the property is now classified as Assets held for sale, and is valued at the expected Net realisable value based on a sale without a sale/lease back. The change in valuation principle has resulted in an impairment loss of DKK 18.9m related to the property.

Transformation process

Our dedicated employees and partners in combination with high user engagement among our customers, and a well functioning marketplace for online auctions, are true strengths for our business. Significant volumes of items are being sold at Lauritz.com every day and we have a strong position in the online auction industry.

To maintain our position in the market we need to address the changing consumer behaviors and the increasing pace in the digital transformation.

Management comments

The strategic review aimed at developing a long-term strategy that secures long-term growth and profitability initiated in Q4 2017 is ongoing. We are closely reviewing how to develop our business model, value proposition and product experience, and define our future position on the digitized market for auctions, as well as further develop our efficiency.

The financial analysis initiated in Q4 2017 is ongoing, and we are evaluating different financing options to create a situation where we have suitable headroom to our financial obligations and room for manoeuvrability in achieving long-term growth.

The management team for the Group has seen several changes during the year. The search for a new CEO is ongoing, a new CFO has been appointed and a CCO position has been created as part of in the Group Management team in January 2018.

Short-term focus on financial KPI's during the year has taken management time and focus away from the business. Furthermore, four Branch Manager positions in Sweden has been vacant for a large part of 2017. Management focus on the business is now being strengthened again, most visibly through the CCO position in the Group Management team, and the 4 vacant Branch Manager positions in Sweden has recently been filled.

The current strategic review and financial analysis are creating the foundation for our future, and we feel confident that the measures we now initiate will drive the future growth of Lauritz.com.

Bengt Sundström, Chairman of the board

Preben Lindgaard, CFO

Lauritz.com – a pioneer in the auction industry

Lauritz.com is the biggest auction group in the Nordics, with buyers in 200 countries that trade online.

Lauritz.com has created a paradigm shift in the auction industry. Our vision is to democratise the auction world by inspiring consumers to sell and buy on online auctions, making art, design and antiques accessible for everyone worldwide.

Our first mover advantage, combined with expertise and knowledge within valuations, secure payments services and distribution of sold items, has since the start constituted the foundation for sustainable and profitable expansion.

Lauritz.com registers around 5 million online visitors and around 1.8 million unique visitors each month.

We have shown a yearly average auction turnover growth of over 25% from the start in 1999 until 2016, in 2017 the auction turnover growth is negative. During the same period, EBITDA has shown a strong and consistent development, although 2017 EBITDA is impacted negatively by the lower auction turnover.

Business model

Lauritz.com capitalizes on the trend of digitalization and online trading by consolidating the fragmented and mainly physical auction house market in Europe and converting it into online auctions.

We focus on the large middle-market segment with a value between DKK 800 and 50,000. This segment positions Lauritz.com between peer-to-peer platforms with high volume at low prices and the fine art market with low volume and high prices.

Sourcing of items from local sellers is achieved through a combination of acquiring traditional physical auction houses, starting new auction houses and establishing partner-run auction houses within a franchise-like model.

Currently, Lauritz.com has 26 auction houses located in Denmark, Sweden, Norway, Germany and Belgium and further growth is expected to come from consolidation in current and new markets.

Revenue model

Lauritz.com charges buyers and sellers a commission and a fixed fee on the knockdown.

Owners

Lauritz.com A/S is wholly owned by Lauritz.com Group A/S. Lauritz.com Group A/S is since 22 June 2016 listed on Nasdaq First North Premier Stockholm with the ticker LAUR. The largest shareholders of Lauritz.com Group A/S are founder Bengt Sundström, Bure Equity AB and Rite Internet Ventures Holdings AB.

Auction turnover

Auction turnover amounted to DKK 283.4m (363.4), corresponding to a decrease of 22 percent. Excluding one unique extraordinary art collection sold in Q4 2016, with auction turnover of DKK 64m the decrease is 5 percent. The 5 percent decrease was due to a lower number of sold items partly offset by higher average knockdown prices in Q4 2017 compared to Q4 2016.

The number of knockdowns excluding QXL amounted to 78,114 (91,671) and the average knockdown price amounted to DKK 3,579 (3,821). In Q4 2016 the average knockdown price excluding the unique art collection was DKK 3,130.

Revenue

Revenue amounted to DKK 59.9m (73.1), corresponding to a decrease of 18 percent. Approximately DKK 12m of the decrease is explained by the lower auction turnover during the period, hereof approximately DKK 9m due to the unique art collection sold in Q4 2016 not being repeated in 2017. The negative net effect on revenue from sold and acquired auction houses amounted to approximately DKK 3.1m. The decrease was partly offset by higher fees from sales of partnership agreements that increased by DKK 2.1m compared to Q4 2016.

1 (1) new partnership agreement was signed during Q4 2017.

Two auction houses were sold in Q4, which means that as of 31 December the number of auction houses owned by Lauritz.com has decreased from 9 to 7 compared to last quarter.

EBITDA and Auction Turnover margin

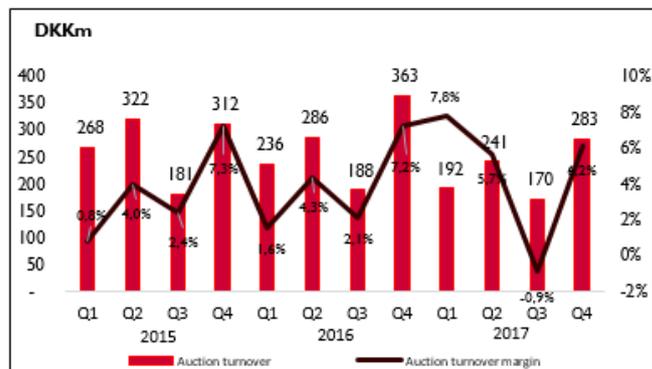
EBITDA amounted to DKK 17.4m (26.2). The reduction in EBITDA is primarily explained by reduction in revenue due to lower auction turnover. This is partly offset by income from new partnership agreements, and the effects of the cost cutting plan that was initiated in the beginning of 2017.

The Auction Turnover Margin amounted to 6.2 (7.2) percent.

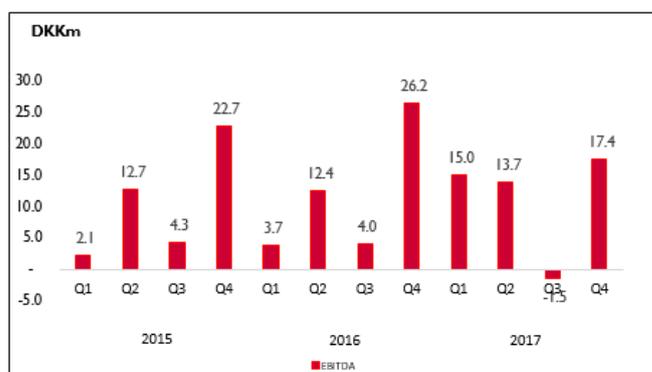
Operating loss/profit (EBIT)

Operating loss/profit (EBIT) for the period amounted to DKK -10.0m (22.3).

Auction turnover and margin development



EBITDA development



1 October – 31 December 2017

The Operating loss for 2017 is impacted by Impairment losses of DKK 23.2m recognized in connection with reclassifying the property at Rovsingsgade to Assets held for sale, and impairment of software and acquired rights.

The net realisable value for Rovsingsgade is based on a sale without a sale/lease-back.

Net financials

Net financials was DKK 0.2m (-7.2). Net financials consists mainly of interest on the issued bond. The currency exchange rate gains on the bond debt issued in SEK amounted to DKK 4.7m (1.2 loss).

Tax

Tax amounted to DKK -2.5m (-7.0), corresponding to an effective tax rate of 25.5 percent (46.4).

Loss (Profit) for the period and earnings per share

Loss (Profit) for the period amounted to DKK -12.2m (8.1).

Earnings per share amounted to DKK -22.98 (15.29).

Cash flow

Cash flow from operating activities was DKK 32.6m (26.6). The cash flow in Q4 2017 was positively affected by the seasonality in auction turnover.

Financial position, cash and cash equivalents

Equity at the end of the quarter amounted to DKK 45.8m (63.5) and the group's total assets were DKK 446.7m (494.0). The equity/assets ratio decreased to 10.3 percent (12.8).

Cash and cash equivalents amounted to DKK 60.1m (76.4).

Investments

Investments amounted to DKK 0.9m (8.9).

Human resources

The average number of full-time employees in Lauritz.com A/S and its subsidiaries (FTE) was 171 (200) in the period.

Other events

On 1 December 2017, it was mutually agreed that CEO Erik Norberg ended his employment at Lauritz.com A/S.

Auction turnover

Auction turnover amounted to DKK 886.5m (1,073.4), corresponding to a decrease of 17 percent. Excluding a unique extraordinary art collection sold in Q4 2016, the decrease is 12 percent. The 12 percent decrease was primarily due to a lower number of sold items during the year compared to 2016.

The number of knockdowns excluding QXL amounted to 305,402 (331,563) and the average knockdown price amounted to DKK 2,820 (3,089). In 2016, the average knockdown price excluding the unique art collection was DKK 2,895.

Revenue

Revenue amounted to DKK 195.7m (219.4), corresponding to a decrease of 11 percent. Approximately DKK 28m of the decrease is explained by the lower auction turnover during the period, hereof approximately DKK 9m due to the unique art collection sold in Q4 2016 not being repeated in 2017. Furthermore, the negative net effect from sold and acquired auction houses amounted to approximately DKK 12.5m. The decrease was partly offset by higher fees from sales of partnership agreements that increased by DKK 16.9m compared to 2016.

Four partnership agreements were signed during the period and four auction houses were taken over during the year, which means that as of 31 December the number of auction houses owned by Lauritz.com is unchanged at 8 compared to 1 January 2017.

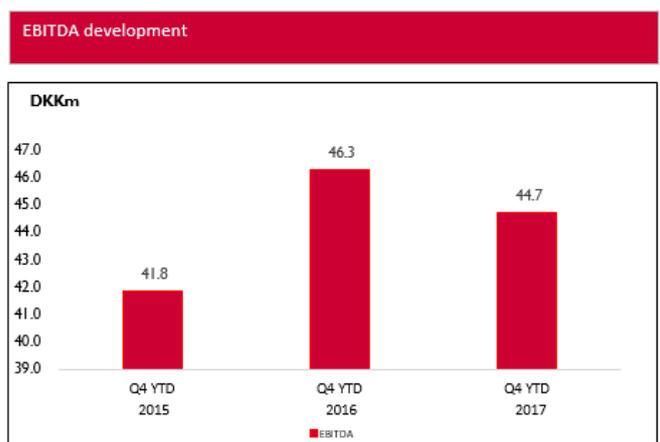
EBITDA and Auction Turnover margin

EBITDA amounted to DKK 44.7m (46.3), corresponding to a decrease of 3 percent. The decrease is primarily explained by reduction in revenue due to lower auction turnover. This is partly offset by higher fees from sales of partnership agreements, and a decrease in costs in line with Lauritz.com’s cost cutting plan initiated in January 2017 of approximately DKK 14m.

The Auction Turnover Margin amounted to 5.0 (4.3) percent.

Operating profit (EBIT)

Operating profit (EBIT) for the period amounted to DKK 5.6m (31.9).



1 January – 31 December 2017

The Operating profit for 2017 is impacted by Impairment losses of DKK 23.2m made in connection with reclassifying the property at Rovsingsgade to Assets held for sale, and impairment of software and acquired rights.

The net realisable value for Rovsingsgade is based on a sale without a sale/lease-back.

Net financials

Net financials was DKK -12.9m (-15.3). Net financials mainly consists of interest on the issued bond. The currency exchange rate gains on the bond debt issued in SEK amounted to DKK 6.9m (13.4).

Tax

Tax amounted to DKK -3.5m (-5.1), corresponding to an effective tax rate of 47.9 percent (30.6).

Loss (profit) for the period and earnings per share

Loss (profit) for the period amounted to DKK -10.9m (11.6).

Earnings per share amounted to DKK -20.48 (39.13).

Cash flow

Cash flow from operating activities was DKK -2.2m (-7.7). The change is explained by lower interest payments in 2017 compared to 2016. Furthermore, 2016 was affected by financial costs related to the partial redemption of the bond of DKK 3.1m partly offset by change in working capital.

Financial position, cash and cash equivalents

Equity at the end of the year amounted to DKK 45.8m (63.5) and the group's total assets were DKK 446.7m (494.0). The equity/assets ratio decreased to 10.3 percent (12.8).

Cash and cash equivalents amounted to DKK 60.1m (76.4). The high balance at the end of 2016 is partly due to the large auction of a unique art collection in Q4 2016.

Investments

Investments amounted to DKK 12.8m (21.5).

Human resources

The average number of full-time employees in Lauritz.com A/S and its subsidiaries (FTE) was 182 (201) in the period.

Shares

The number of shares registered is 530,900.

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

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

In January 2018, a number of cost reductions has been initiated.

Future prospects

In 2018, the Group expects a small decrease in net revenue. The reduction is partly due to the negative impact on revenue from purchased/sold auction houses and due to not including any sale of partnership agreements, partly offset by a small increase in Auction Turnover. EBITDA margin is expected to be between 20 and 25 percent.

Lauritz.com

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

Finance

The Group is partly funded by a bond debt, which amounted to DKK 237.0m (241.8). The bond is a senior secured bond of SEK 325m listed on Nasdaq in Stockholm with an 3M Stibor + 7.5 % interest 2014/2019.

The conditions of the bond includes two covenants on Lauritz.com A/S financials.

One covenant is Net interest bearing debt/EBITDA, which as at 31 December 2017 must not be greater than 3.00. The ratio was 2.54.

The second covenant is EBITDA/Net finance charges, which as at 31 December 2017 must exceed 2.50. The ratio was 2.60.

1 January – 31 December 2017

The covenants for the bonds are described in detail in the terms and conditions for the bond available on www.lauritz.com.

Seasonality

Lauritz.com's net revenue and profitability are affected by the nature of operations, and accordingly, its seasonality where Q2 and Q4 are historically strong quarters.

Parent company

Lauritz.com A/S, being the parent company, is listed with a senior secured bond on Nasdaq in Stockholm and Lauritz.com A/S's primary operations are within online auctions.

Statement by Management on the Interim Report

The Board of Directors and the Executive Management have today discussed and approved the Interim Report of Lauritz.com A/S for the period 1 January to 31 December 2017.

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 December 2017 and of the results of its operations and cash flows for the period 1 January to 31 December 2017.

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, 22 February 2018

Executive Management: Thomas Stensgaard, CCO; Preben Lindgaard, CFO

Board of Directors: Bengt Sundström, Chairman; Mette Rode Sundstrøm, John Tyrrestrup, Thomas Schnegelsberg

Company auditor: Deloitte, Statsautoriseret Revisionspartnerselskab

Company details: Company: Lauritz.com A/S, Dynamovej 11, 2860 Søborg, Denmark, Registration No: 24 99 45 70, Søborg, Denmark, phone: + 45 44 50 98 00, Fax: + 45 44 50 98 01, Homepage: www.lauritz.com

For more information, please contact:

Bengt Sundström, Chairman of the Board

or

Preben Lindgaard, CFO

Presentation of the Interim Report:

On 22 February 2018 at 9.05 a.m. CET, Preben Lindgaard, CFO will hold a presentation of the Interim Report. The presentation will be held in English on Lauritz.com's Facebook-site. A link to the presentation will also be accessible from our website www.lauritz.com.

Group financial highlights

	YTD 31.12.2017 DKK'000	FY 2016 DKK'000	FY 2015 DKK'000	FY 2014 DKK'000
Auction turnover ¹	886,490	1,073,455	1,084,036	1,047,146

Statement of comprehensive income

Revenue	195,683	219,403	225,152	153,411
Gross profit	184,907	202,079	207,319	138,490
EBITDA	44,692	46,282	41,830	23,242
Operating profit (EBIT)	5,553	31,931	29,655	16,627
Net financials	- 12,904	- 15,275	- 40,423	- 2,365
Profit before tax (EBT)	- 7,351	16,656	- 10,768	14,262
Tax on profit for the period	- 3,520	- 5,096	2,255	- 3,761
Profit for the period	- 10,871	11,560	- 8,513	10,501

Balance sheet

Non-current assets	281,279	309,831	298,100	220,001
Current assets	165,458	184,210	203,465	289,882
Balance sheet total	446,737	494,041	501,565	509,883
Share capital	53,090	53,090	6,002	6,000
Equity	45,819	63,452	13,287	14,550
Non-current liabilities	254,962	255,292	347,848	350,906
Current liabilities	145,956	175,297	140,430	144,427

Cash flows

Operating activities	- 2,179	- 7,750	- 12,705	15,307
Investing activities	- 12,759	90,978	- 22,806	- 207,073
Of this, investments in property,				
Plant and equipment	- 2,138	- 6,945	- 7,978	- 3,786
Financing activities	-	- 51,735	- 1,999	264,039
Total cash flows	- 14,938	31,493	- 37,510	72,273

Ratios:

Gross margin	94.5%	92.1%	92.1%	90.3%
EBITDA margin	22.8%	21.1%	18.6%	15.2%
Profit margin	2.8%	14.6%	13.2%	10.8%
Equity ratio	10.3%	12.8%	2.8%	2.9%
Return on equity	-19.9%	30.1%	- 61.2%	60.2%
Earnings per share	- 20.48	39.13	- 141.83	175.0
Dividend per share	0	0	0	33
Average number of full-time employees	182	201	204	136

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

Statement of comprehensive income

	Q4 31.12.2017 DKK'000	Q4 31.12.2016 DKK'000	YTD 31.12.2017 DKK'000	YTD 31.12.2016 DKK'000
Auction turnover ¹	283,424	363,387	886,490	1,073,455

		Group			
Notes		Q4 31.12.2017 DKK'000	Q4 31.12.2016 DKK'000	YTD 31.12.2017 DKK'000	YTD 31.12.2016 DKK'000
3	Revenue	59,888	73,146	195,683	219,403
	Direct costs	- 3,277	- 6,169	- 10,776	- 17,324
	Gross profit	56,611	66,977	184,907	202,079
	Other operating income	157	258	673	986
	Other external expenses	- 18,247	- 13,549	- 57,953	- 57,033
	Staff costs	- 21,079	- 27,468	- 82,935	- 99,750
	EBITDA	17,442	26,218	44,692	46,282
7, 8	Depreciation and amortisation	- 27,396	- 3,869	- 39,139	- 14,351
	Operating profit (EBIT)	- 9,954	22,349	5,553	31,931
4	Financial income	5,285	- 1,355	8,453	14,286
5	Financial expenses	- 5,051	- 5,842	- 21,357	- 29,561
	Profit before tax (EBT)	- 9,720	15,152	- 7,351	16,656
6	Tax on profit for the period	- 2,478	- 7,036	- 3,520	- 5,096
	Loss (Profit) for the period	- 12,198	8,116	- 10,871	11,560
Items that can be reclassified to profit or loss:					
	Exchange rate adj., foreign comp.	- 3,260	125	- 6,762	- 8,483
	Tax on other comprehensive income	-	-	-	-
	Other comprehensive income	- 3,260	125	- 6,762	- 8,483
	Comprehensive income	- 15,458	8,241	- 17,633	3,077
13	Earnings per share	- 22.98	15.29	- 20.48	39.13
13	Earnings per share, diluted	- 22.98	15.29	- 20.48	39.13

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

Balance sheet

	Group 31.12.2017 DKK'000	Group 31.12.2016 DKK'000
Assets		
Notes		
Non-current assets		
7 Software in process of development	11,206	11,671
7 Fully developed software	6,412	10,598
7 Goodwill	141,287	138,287
7 Rights acquired	<u>52,194</u>	<u>56,990</u>
Total intangible assets	<u>211,099</u>	<u>217,546</u>
8 Lands and buildings	0	54,261
8 Other fixtures and fittings, tools and equipment	<u>12,535</u>	<u>14,165</u>
Total property, plant and equipment	<u>12,535</u>	<u>68,426</u>
Deferred tax	5,311	2,464
Deposits	2,294	1,390
9 Other non-current receivables	<u>50,040</u>	<u>20,005</u>
Total financial assets	<u>57,645</u>	<u>23,859</u>
Total non-current assets	<u>281,279</u>	<u>309,831</u>
Current assets		
Inventories	<u>1,018</u>	<u>1,824</u>
9 Trade receivables	28,026	71,286
9 Other current receivables	<u>41,344</u>	<u>34,659</u>
Total receivables	<u>69,370</u>	<u>105,945</u>
Cash and cash equivalents	<u>60,070</u>	<u>76,441</u>
10 Assets held for sale	<u>35,000</u>	<u>-</u>
Total current assets	<u>165,458</u>	<u>184,210</u>
Total assets	<u>446,737</u>	<u>494,041</u>

Balance sheet

Equity and liabilities

<u>Notes</u>	Group 31.12.2017 DKK'000	Group 31.12.2016 DKK'000
Equity		
Share capital	53,090	53,090
Other reserves	- 10,922	- 4,160
Retained earnings	<u>3,651</u>	<u>14,522</u>
Total equity	<u>45,819</u>	<u>63,452</u>
Liabilities		
Deferred tax	17,942	13,450
11 Bond debt	<u>237,020</u>	<u>241,842</u>
Total non-current liabilities	<u>254,962</u>	<u>255,292</u>
11 Bond debt	-	-
Trade payables	107,719	135,051
Other payables	34,360	37,083
Tax payable	<u>3,877</u>	<u>3,163</u>
Total current liabilities	<u>145,956</u>	<u>175,297</u>
Total liabilities	<u>400,918</u>	<u>430,589</u>
Total equity and liabilities	<u>446,737</u>	<u>494,041</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 2016	6,002	4,323	2,962	13,287
Profit for the period	-	-	11,560	11,560
Other comprehensive income	-	-8,483	-	-8,483
	6,002	-4,160	14,522	16,364
Capital increase, 12 July 2016	47,088	-	-	47,088
Dividend distributed	-	-	-	-
Equity at 31 December 2016	53,090	-4,160	14,522	63,452
Equity at 1 January 2017	53,090	-4,160	14,522	63,452
Profit/Loss for the period	-	-	-10,871	-10,871
Other comprehensive income	-	-6,762	-	-6,762
	53,090	-10,922	3,651	45,819
Dividend distributed	-	-	-	-
Equity at 31 December 2017	53,090	-10,922	3,651	45,819

Cash flow statement

	Group 31.12.2017 DKK'000	Group 31.12.2016 DKK'000
Operating profit (EBIT)	5,553	31,931
Depreciation and amortisation	39,139	14,351
Increase/decrease in inventories	806	- 277
Increase/decrease in receivables	5,830	- 64,117
Increase/decrease in trade payables and other payables	- 34,764	39,450
Other adjustments	<u>2,927</u>	<u>- 826</u>
Cash flows from ordinary operating activities	19,491	20,512
Interest received	1,565	1,013
Interest paid	- 19,276	- 27,348
Income tax paid under a joint taxation arrangement	<u>- 3,959</u>	<u>- 1,927</u>
Cash flows from operating activities	<u>- 2,179</u>	<u>- 7,750</u>
Purchase of property, plant and equipment	- 2,138	- 6,945
Sale of property, plant and equipment	-	1,771
Purchase of intangible assets	- 6,586	- 9,024
Payment received from Parent Company, settlement of loan		110,732
15 Acquisitions	<u>- 4,035</u>	<u>- 5,556</u>
Cash flows from investing activities	<u>- 12,759</u>	<u>90,978</u>
Redemption of bonds	-	- 98,823
Proceeds from cash capital increase	-	47,088
Dividend paid to the Parent's shareholders	<u>-</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>51,735</u>
Net cash flows for the period	- 14,938	31,493
Net capital resources, beginning of period	76,441	46,289
Exchange rate adjustment of capital resources	<u>- 1,433</u>	<u>- 1,341</u>
Net capital resources, end of period	<u>60,070</u>	<u>76,441</u>
Net capital resources, end of period, are composed as follows:		
Cash and cash equivalents	60,070	76,441
Interest-bearing short-term bank loans	<u>-</u>	<u>-</u>
Net capital resources, end of period	<u>60,070</u>	<u>76,441</u>

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 2016 consolidated financial statements, which are in accordance with International Financial Reporting Standards as adopted by the EU. We refer to the 2016 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 Financial Ratios 2015" as issued by the Danish Association of Financial Analysts.

Changes in accounting policies

Effective from 1 January 2017 the Lauritz.com group has implemented the new or revised Standards and Interpretations applicable for financial years beginning 1 January 2017 or later. The implementation of new or revised Standards and Interpretations has not resulted in any changes in the accounting policies applied.

The following new accounting standards are relevant to the Lauritz.com group for the years commencing from 1 January 2018:

IFRS 15 Revenue from contracts with customers (endorsed by the EU)

IFRS 15 replace IAS 18 and other standards, and the new standard will establish a single, comprehensive framework for revenue recognition.

The standard provides details on recognizing revenue to reflect the transfer of control of goods to customers at a value that the entity expects to be entitled to. Lauritz.com group will adopt the standard on the effective date, being 1 January 2018.

Lauritz.com group has performed an analysis of the impact, including commissions and fees received from sellers and buyers at auctions and income related to sale of partnership agreements. Based on the analysis, it is assessed that the timing and the amount of revenue from auctions and [sale of partnership agreements] will not change under the new standard, thus the standard will not have any significant impact on revenue recognition or measurement compared to current practice.

IFRS 16 Leases (endorsed by the EU)

IFRS 16 replaces IAS 17, and will change the accounting treatment of leases that are currently treated as operating leases. The standard requires all leases, regardless of type and with few exceptions, to be recognized in the balance sheet as an asset with a related liability. The Income statement will also be affected, as the annual lease costs will consist of both depreciation and interest expenses going forward. Currently, the annual costs relating to operating leases are recognized as a single expense amount in the Income statement under Other external expenses.

Lauritz.com group will adopt the standard on 1 January 2018 with early adoption. The standard will be implemented using the modified retrospective approach, meaning that comparative information is not restated. The cumulative effect of initially applying IFRS 16 is presented as an adjustment to opening retained earnings under equity.

The changes require capitalization of the majority of the Group's operating lease contracts, representing approximately 12-18% of the total assets. This will have an impact on the Group's assets and an equivalent impact on liabilities. Hence, it will affect the financial ratios related to the balance sheet. The lease payments will be split between a depreciation charge included in operating costs and an interest expense on lease liabilities included in financial expenses. The impact on EBITDA will be positive by an estimated DKK 14-16m, impact on profit before tax will be insignificant.

IFRS 9 Financial instruments (endorsed by the EU)

The effect of the change from the 'incurred loss' model in IAS 39 to the 'expected credit loss' model in IFRS 9 is considered immaterial due to the limited credit risk in the Group as result of collateral and other credit enhancements. Due to immaterial effects from implementing IFRS 9, the 2017 financial statements will not be restated. The effects as of end of 2017 will be recognized in 2018.

The new provision on classification and measurement of financial assets and on hedge accounting will not have any impact on the financial statements.

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 December 2017 are not influenced by unusual items or changes in accounting estimates except for the below mentioned regarding Rovsingsgade.

Following the decision to actively pursue a sale of the property Rovsingsgade, and reclassify it to Assets held for sale an impairment test had to be made prior to the reclassification, revaluing the property to Net realisable value. The property is now valued at net realisable value, and an impairment of DKK 18.9m has been recognized.

	Group 31.12.2017 DKK'000	Group 31.12.2016 DKK'000
3. Revenue		
Auction commissions and fees etc.	167,300	207,361
Fees from sales of partnership agreements	<u>28,383</u>	<u>12,042</u>
	<u>195,683</u>	<u>219,403</u>
4. Financial income		
Interest income	1,565	737
Interest income from group enterprises	<u>-</u>	<u>276</u>
Interest income from financial assets	1,565	1,013
Exchange rate gains	<u>6,888</u>	<u>13,273</u>
	<u>8,453</u>	<u>14,286</u>
5. Financial expenses		
Interest expenses	182	616
Bank charges etc.	478	799
Redemption price, partial repayment bond debt	-	3,143
Financial expenses, bond debt	18,616	22,907
Amortisation of borrowing costs, bond debt	<u>2,081</u>	<u>2,096</u>
Interest expenses from financial liabilities	21,357	29,561
Exchange rate losses	<u>-</u>	<u>-</u>
	<u>21,357</u>	<u>29,561</u>
6. Tax on profit/loss for the period		

The tax recognized 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 2017. The estimated effective tax rate for Danish enterprises is 22.0 % (2016: 22.0 %). For foreign enterprises, the current tax rate in the country in question is used. No tax on other comprehensive income has been recognized for the period.

When demerging the property placed at Rovsingsgade 64-68 on 3 April 2015, no deferred tax was recognized 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 Blixtz ApS. Ejendomsselskabet Blixtz 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 favor of Ejendomsselskabet Blixtz 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 Blixtz ApS would pay approx. DKK 13m to Lauritz.com A/S to refund the resulting deferred tax liability.

7. Intangible assets (DKK'000)

	Software in process of development	Developed software	Acquired rights	Goodwill
Cost at 1 January 2017	15,175	37,476	67,171	138,287
Exchange rate adjustments	-	64	309	1,851
Additions from subsidiaries acquired	-	-	-	8,092
Disposal	-	-	-	5,187
Additions	6,390	196	-	1,946
Transferred	<u>3,812</u>	<u>3,812</u>	<u>-</u>	<u>-</u>
Cost at 31 December 2017	<u>17,753</u>	<u>41,420</u>	<u>67,480</u>	<u>141,287</u>
Amortisation at 1 January 2017	-	26,878	10,181	-
Impairment losses at 1 January 2017	3,504	-	-	-
Exchange rate adjustments	-	38	89	-
Impairment losses	3,043	-	1,200	-
Amortisation for the period	<u>-</u>	<u>8,168</u>	<u>3,994</u>	<u>-</u>
Amortisation and impairment losses at 31 December 2017	<u>6,547</u>	<u>35,008</u>	<u>15,286</u>	<u>-</u>
Carrying amount at 31 December 2017	<u>11,206</u>	<u>6,412</u>	<u>52,194</u>	<u>141,287</u>
	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	-	41	3,682	4,161
Additions from subsidiaries acquired	-	-	11,211	3,947
Additions	6,440	2,584	-	-
Transferred	<u>765</u>	<u>765</u>	<u>-</u>	<u>-</u>
Cost at 31 December 2016	<u>15,175</u>	<u>37,476</u>	<u>67,171</u>	<u>138,287</u>
Amortisation at 1 January 2016	-	20,098	6,995	-
Impairment losses at 1 January 2016	3,504	-	-	-
Exchange rate adjustments	-	20	62	-
Amortisation for the year	<u>-</u>	<u>6,760</u>	<u>3,248</u>	<u>-</u>
Amortisation and impairment losses at 31 December 2016	<u>3,504</u>	<u>26,878</u>	<u>10,181</u>	<u>-</u>
Carrying amount at 31 December 2016	<u>11,671</u>	<u>10,598</u>	<u>56,990</u>	<u>138,287</u>

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 amortized, see accounting policies. The carrying amount of trademarks without determinable useful lives totals DKK 23.2m at 31 December 2017 (31.12.2016: DKK 23.8m).

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

At 31 December 2017, 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.

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

EBITDA growth is determined based on historical EBITDA realized in the period immediately prior to the beginning of the budget period, adjusted for non-recurring expenses, expected market developments and enterprises acquired and divested. For the 2017 budget period, this is equivalent to an annual EBITDA growth rate of approx. 15 % from 2017 to 2021.

EBITDA growth is related to the development in auction turnover, equivalent to an annual average growth rate of approx. 2-8 % during the budget period from 2017 to 2021. 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 % (2016: 12.8 %).

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 2017	55,094	36,933
Exchange rate adjustments	-	401
Additions from subsidiaries acquired	-	456
Additions	133	2,005
Disposal	-	2,103
Transfer, assets held for sale	- 55,227	-
Cost at 31 December 2017	<u>0</u>	<u>36,890</u>
Depreciation at 1 January 2017	833	22,768
Exchange rate adjustments	-	227
Impairment losses	18,944	-
Depreciation for the period	450	3,235
Depreciation related to disposals	-	1,421
Transfer, assets held for sale	- 20,227	-
Depreciation at 31 December 2017	<u>0</u>	<u>24,355</u>
Carrying amount at 31 December 2017	<u>0</u>	<u>12,535</u>

Assets held under finance leases are included in carrying amount at 224

	Lands and buildings	Other fixtures etc.
Cost at 1 January 2016	52,357	36,669
Exchange rate adjustments	-	536
Additions from subsidiaries acquired	-	369
Additions	2,737	4,208
Disposal	-	3,777
Cost at 31 December 2016	<u>55,094</u>	<u>36,933</u>
Depreciation at 1 January 2016	388	19,611
Exchange rate adjustments	-	248
Depreciation for the year	445	3,843
Depreciation related to disposals	-	438
Depreciation at 31 December 2016	<u>833</u>	<u>22,768</u>
Carrying amount at 31 December 2016	<u>54,261</u>	<u>14,165</u>

Assets held under finance leases are included in carrying amount at 475

9. Receivables

	Group 31.12.2017 DKK'000	Group 31.12.2016 DKK'000
Trade receivables	28,026	71,286
Other receivables, non-current	50,040	20,005
Other receivables, current	<u>41,344</u>	<u>34,659</u>
	<u>119,410</u>	<u>125,950</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 four to eight years.

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

	Group 31.12.2017 DKK'000	Group 31.12.2016 DKK'000
Impairment losses at 1 January	2,028	1,158
Impairment losses for the period	3,237	870
Realised for the period	- 96	-
Reversed	<u>-</u>	<u>-</u>
Impairment losses at 30 December	<u>5,169</u>	<u>2,028</u>

The Group has no significant credit risks related to a single customer or market. Write-downs for bad and doubtful receivables are made if the receivables based on an individual evaluation, shows indication of impairment.

10. Assets held for sale

	Group 31.12.2017 DKK'000	Group 31.12.2016 DKK'000
Lands and buildings	<u>35,000</u>	<u>-</u>
Assets held for sale	<u>35,000</u>	<u>-</u>

There are no significant liabilities associated with assets held for sale.

11. 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 corporate bonds were redeemed by the end of February 2016.

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.

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. After this partial repayment, the principal amount of the bond debt was reduced to SEK 325m. Lauritz.com A/S has on 16 September 2016 acquired approx. 2.4% of the issued bonds for SEK 7.6m (or DKK 5.9m). The bonds were acquired at rate 99.25.

The fair value of the bonds amounts to DKK 223,525k at 31 December 2017 based on the last trade made on 30 August 2017. Of this, Lauritz.com A/S holds bonds with a fair value amounting to DKK 5,386k.

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

Financial covenants determined at 31 December 2017

	Group Q4 2017 DKK'000	EBITDA- ratio
EBITDA, LTM	<u>44,692</u>	
<i>Net interest bearing debt / EBITDA</i>		
Bond debt, non-current	237,020	
Interest bearing receivables	- 63,280	
Cash and cash equivalents	- <u>60,070</u>	
Total net interest bearing debt	<u>113,670</u>	<u>2.54</u>
	TARGET	< 3.00
<i>EBITDA / Net Finance Charges</i>		
Interest income, bank - LTM	- 1,565	
Financial expenses, bond debt – LTM	18,616	
Other interest expenses - LTM	<u>164</u>	
Total net finance charges	<u>17,215</u>	<u>2.60</u>
	TARGET	> 2.50

The Group complies with applicable financial covenants as at 31 December 2017.

12. 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 31 December 2017 is specified below.

2017 (DKK'000)	Cash and cash equivalents	Receivables	Bond debt	Other liabilities	Net position
NOK	156	85	-	-507	-266
EUR	1,868	9,289	-	-	11,157
SEK	38,735	29,358	-237,020	-73,061	-241,988
31 December 2017	40,759	38,732	-237,020	-73,568	-231,097

2016 (DKK'000)	Cash and cash equivalents	Receivables	Bond debt	Other liabilities	Net position
NOK	736	65	-	-633	168
EUR	2,770	7,815	-	-480	10,105
SEK	55,058	67,095	-241,842	-99,579	-219,268
31 December 2016	58,564	74,975	-241,842	-100,692	-208,995

The bonds 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 31 December 2017 would have affected comprehensive income and equity by approx. DKK 4m (31.12.2016: DKK 3m). The sensitivity analysis shows the difference between the 31 December 2017 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 approx. DKK 2m (31.12.2016: DKK 2m) on comprehensive income and equity. A similar decline in the interest rate level would have resulted in an equivalent positive effect on comprehensive income and equity.

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 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.

	Group 31.12.2017 DKK'000	Group 31.12.2016 DKK'000
13. Earnings per share (EPS)		
Profit/Loss for the period	<u>-10.871</u>	<u>11,560</u>
Average number of shares	<u>530.900</u>	<u>295,460</u>
EPS at DKK 100	<u>-20.48</u>	<u>39.13</u>
EPS at DKK 100 diluted	<u>-20.48</u>	<u>39.13</u>

14. Dividend

For 2017, DKK 0 in ordinary dividend has been distributed to the shareholders of Lauritz.com A/S, equalling DKK 0 per share (2016: DKK 0 per share).

For the financial year 2016, the Board of Directors has proposed dividend of DKK 0k, corresponding to DKK 0 per share.

15. Acquisitions

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

Name	Primary activity	Acquisition date	Voting share acquired %
Ztuff ApS	Online auctions	14.02.2017	100

Furthermore, the Group acquired the Danish branch in Roskilde and the Swedish branch in Malmö.

	2017
	<u>DKK'000</u>
Property, plant and equipment	456
Receivables	194
Cash and cash equivalents	691
Trade payables	- 398
Other payables	<u>- 5,026</u>
Net assets acquired	- 4,083
Goodwill	<u>8,092</u>
Total consideration	4,009

The Group has acquired net assets totalling DKK -4,083k including cash acquired of DKK 691k. Net assets acquired are based on preliminary opening balance sheets, which may be adjusted afterwards.

The Group has incurred transaction costs of DKK 143k, 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.

15. Acquisitions (continued)

Of the Group's profit for the year 2017, DKK -222k is attributable to Ztuff ApS following the acquisition. Of the Group's revenue, DKK 1,222k is attributable to Ztuff ApS. Had the enterprise been acquired with effect from 1 January 2017, the Group's revenue for the year would have been affected with approx. DKK 1,745k and the Group's profit for the year would have been affected with approx. DKK -497k.

Of the Group's profit for the year 2017, DKK 865k is attributable to the branches in Roskilde and Malmö following the acquisition. Of the Group's revenue, DKK 11,966k is attributable to the acquired branches. Had the enterprise been acquired with effect from 1 January 2017, the Group's revenue for the year would have been affected with approx. DKK 19,000k and the Group's profit for the year would have been affected with approx. DKK 1,600k.

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

The Group has provided security for rent for DKK 1,502k that expires in 2019.

The Group has adopted other property rental agreements with maximum lease terms running until 2025. Rent totals DKK 43,674k, of which DKK 15,210k falls due in 2018.

Car operating leases have been entered into for the year 2017. 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 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 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.

17. 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
Blixtz 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.

17. 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.

18. Events after the balance sheet date

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