Blixtz Holding A/S

CVR no. 75 55 98 28

Annual Report

January – December 2021

Approved at the Annual General Meeting on 05 July 2022

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Chairman of the meeting

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Company details

The company	Blixtz Holding A/S Dynamovej 11C 2860 Søborg Denmark	
	CVR no.:	75 55 98 28
	Incorporated:	11 September 1984
	Municipality:	Gladsaxe
	Financial year:	1 January - 31 December
Board of Directors	Bengt Olof Tony Sundström, Chairman John Tyrrestrup Claus Clemen Boysen	
Executive Management	Mette Margrethe Rode Sundstrøm, CEO	
Independent Auditor	Beierholm Statsautoriseret Revisionspartnerselskab	

Main activity
The main activity of Blixtz Holding A/S is to be a holding company for Lauritz.com Group A/S, Vignelaure SAS, Ejendomsselskabet Blixtz ApS, Göholms skog och lantbruk AB, Goodwill Mountain (Pty) Ltd. and underlying operating companies.

Development of activities and financial conditions
The result for the year for Blixtz Holding A/S (the parent company) shows a losst of DKK 3.2m against a profit in 2020 of DKK 0.2m. The result is considered unsatisfactory.

The Blixtz Holding Group realized for the year revenue of DKK 129.4m (2020: DKK 122.4m), a total EBITDA of DKK 3.7m (2020: DKK -2.1m) and a result before tax (EBT) of DKK -37.1m (2019: DKK -42.4m). The result is considered unsatisfactory.

Financing

Towards the end of 2019 a review of the capital structure of the Lauritz.com 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 was that Stockholms Auktionsverk, Karlstad Hammarö Auktionsverk and 3 auction houses in Germany were sold in May 2021. Most of the proceeds from the sale was used to reduce the debt of the group by approximately DKK 60m (bond debt SEK 45m, accrued interest on bond SEK 16m and Senior loan SEK 21m) in June 2021 and a further DKK 11m (SEK 15m) in May 2022, after which the remaining bond debt will be DKK 102m (SEK 140m) standing until the maturity date in December 2024.

Impact on 2021 financial reporting due to the sale of activities

In the financial statements for 2021 the sale of the Carve-out business is presented as discontinued operations in the statement of comprehensive income and cash flow statement. The sale of the Carve-out business has resulted in an impairment loss of DKK 24m, recognized primarily in the 2020 income from discontinued operations.

The expected development
In 2022 and based on the Group's current structure, an increase in revenue of 5-15 percent and an EBITDA of 3-8m is expected.

Events after the balance sheet date

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

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Statement of comprehensive income [1]					
Revenue	129,435	122,402	128,835	228,244	297,523
Gross profit	61,420	54,721	52,127	116,995	193,339
EBITDA	3,668	- 2,053	- 648	- 5,937	20,407
Operating profit (EBIT)	- 8,179	- 12,766	- 13,697	- 115,301	- 20,527
Net financials	- 7,626	- 21,349	61,538	- 10,940	- 15,164
Profit before tax (EBT)	- 15,805	- 34,115	47,841	- 128,773	- 35,691
Tax on profit for the year	5,836	6,379	8,455	21,305	- 3,443
Profit/Loss for the year, continued operations	- 9,969	- 27,736	56,296	N/A	N/A
Profit/Loss for the year, discont. operations	- 27,125	- 14,688	- 37	N/A	N/A
Profit/Loss for the year	- 37,094	- 42,424	56,259	- 107,468	- 39,134
Balance sheet [2]					
Non-current assets	334,047	263,096	223,478	322,080	390,433
Current assets	82,688	297,803	306,434	167,666	229,521
Current assets, available for sale	-	202,280	N/A	N/A	N/A
Balance sheet total	416,735	544,115	529,912	489,746	619,954
Share capital	2,000	2,000	2,000	2,000	2,000
Equity	114,505	84,568	121,147	30,683	112,258
Non-current liabilities	219,375	95,028	38,423	85,375	327,607
Current liabilities	82,855	364,519	300,295	373,688	180,089
Current liabilities, available for sale	-	109,821	N/A	N/A	N/A
Cash flow [3]					
Operating activities	- 10,258	31,535	- 2,588	- 37,351	- 5,047
Investing activities	59,201	- 4,912	- 8,627	43,981	- 12,995
Of this, investments in property, plant and equipment	- 2,713	- 3,731	- 1,822	- 1,138	- 9,667
Financing activities	- 48,504	- 10,860	- 107	- 15,731	865
Cash flow, continuing operations	439	13,078	- 2,605	N/A	N/A
Cash flow, discontinued operations	- 16,816	2,685	- 8,717	N/A	N/A
Total cash flow	- 16,377	15,763	- 11,322	- 9,101	- 17,177

[1] 2019, 2020, 2021 Profit/Loss of continued operations only. 2017-2018 are not adjusted for discontinued operations.

[2] 2020, 2021 Balance sheet excluding discontinued operations. 2017-2019 are not adjusted for discontinued operations.

[3] Cash flow 2017-2018 are not adjusted for discontinued operations.

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Ratios [4]					
Gross margin	47.5 %	44.7 %	40.5 %	51.3 %	65.0 %
EBITDA margin	2.8 %	- 1.7 %	- 0.5 %	- 2.6 %	10.4 %
Profit margin	- 6.3 %	- 10.4 %	- 10.6 %	- 50.5 %	- 10.5 %
Equity ratio	27.5 %	15.5 %	22.9 %	5.7 %	18.8 %
Return on equity	- 10.0 %	- 27.0 %	74.1 %	- 143.0 %	- 27.7 %
Dividend per share	0	0	0	0	0
Average number of full-time employees:					
Continuing operations	79	74	61	158	204
Discontinued operations	-	110	113	-	-

[4] Ratios for 2017-2018 are not adjusted for discontinued operations.

Key ratios are applied and calculated as follows:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
EBITDA margin	$\frac{\text{Operating profit/loss before depreciation, amortisation and impairment (EBITDA) x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Balance sheet total}}$
Return on equity	$\frac{\text{Profit for the year x 100}}{\text{Equity, average}}$
Dividend per share	$\frac{\text{Dividend distributed}}{\text{Average no of shares in circulation}}$

Management statement

The Board of Directors and the Executive Management have today discussed and approved the Annual Report of Blixtz Holding A/S for 2021.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, and financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 2021.

Further, in our opinion the Management review includes a true and fair review of the development in the Group's and the Parent Company's operations and financial matters, of the result for the year and of the Group's and the Parent Company's financial position as well as describes the significant risks and uncertainties affecting the Group and the Parent Company.

We recommend that the Annual Report be approved at the General Meeting.

Copenhagen, 05 July 2022

Executive Management

Mette Margrethe Rode Sundstrøm
CEO

Board of Directors

Bengt Olof Tony Sundström Chairman	Claus Clemen Boysen	John Tyrrestrup

To the shareholder of Blixtz Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Blixtz Holding A/S for the financial year 01.01.2021 – 31.12.2021, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021, and of the results of their operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty regarding going concern assumption

Without modifying our opinion, we draw attention to the information in note 1 Going concern in which the Management accounts for the uncertainty which exists regarding the company's ability to continue as a going concern. We agree with the Management as to the description of uncertainties and the choice of accounting policies.

Statement on the management review

Management is responsible for the management review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management review and, in doing so, consider whether the management review is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management review is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management review.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Parent or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aalborg, 05 July 2022

BEIERHOLM

Statsautoriseret Revisionspartnerselskab
CVR-nr. 32 89 54 68

Martin Ødum Madsen

Statsaut. revisor
MNE-nr. mne45893

Statement of comprehensive income 1 January - 31 December

Notes		Group 2021 DKK'000	Group 2020 DKK'000
2	Revenue	129,435	122,402
	Direct costs	- 68,015	- 67,681
	Gross profit	**61,420**	**54,721**
3	Other operating income	15,965	16,436
4	Other external expenses	- 29,406	- 30,459
5	Staff costs	- 43,657	- 41,653
	Other operating expenses	- 654	- 1,098
	Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	**3,668**	**- 2,053**
6	Depreciation, amortisation, and impairment losses	- 11,847	- 10,713
	Operating profit/loss (EBIT)	**- 8,179**	**- 12,766**
7	Financial income	3,670	2,868
8	Financial expenses	- 11,296	- 24,217
	Profit/Loss before tax (EBT)	**- 15,805**	**- 34,115**
10	Tax on profit/loss for the year	5,836	6,379
	Profit/Loss for the year, continuing operations	- 9,969	- 27,736
9	Profit/Loss for the year, discontinued operations	- 27,125	- 14,688
	Profit/Loss for the year, total	**- 37,094**	**- 42,424**
	Items that may be reclassified to profit/loss:		
	Other comprehensive income, from continuing operations	- 32	-
	Other comprehensive income, from discontinued operations:		
	Exchange rate adjustments, foreign companies	15,327	5,845
	Tax on other comprehensive income	-	-
	Other comprehensive income, that may be reclassified	**15,295**	**5,845**

Statement of comprehensive income 1 January - 31 December

Notes		Group 2021 DKK'000	Group 2020 DKK'000
	Items that will not be reclassified to profit/loss:		
	Revaluation on property	71,856	-
	Tax on other comprehensive income	- 20,120	-
	Other comprehensive income, not to be reclassified	**51,736**	**-**
	Other comprehensive income, net of tax	**67,031**	**5,845**
	Total comprehensive income	**29,937**	**- 36,579**
	Profit/Loss for the year, attributable to:		
	Owners of the Company	- 21,605	- 23,515
	Non-controlling interests	- 15,489	- 18,909
		- 37,094	**- 42,424**
	Total comprehensive income, attributable to:		
	Owners of the Company	38,706	- 20,232
	Non-controlling interests	- 8,769	- 16,347
		29,937	**- 36,579**

Balance sheet

Assets

Notes		Group 31.12.2021 DKK'000	Group 31.12.2020 DKK'000
	Non-current assets		
11	Software in process of development	-	622
11	Developed software	2,585	6,200
11	Rights acquired	1,256	2,749
11	Goodwill	40,546	40,546
	Total intangible assets	44,387	50,117
12	Right-of-use assets	5,486	5,811
12	Land and buildings	234,824	164,375
12	Other fixtures and fittings, tools, and equipment	31,110	29,994
	Total property, plant, and equipment	271,420	200,180
13	Deferred tax	16,146	10,942
14	Deposits	2,094	1,857
14	Investment in associated companies	-	-
	Total financial assets	18,240	12,799
	Total non-current assets	**334,047**	**263,096**
	Current assets		
	Inventories	18,621	19,253
	Investments	74	74
15	Trade receivables	1,969	2,585
15	Contractual receivables	32,161	30,252
	Tax receivable	-	-
15	Other current receivables	6,616	4,702
	Total receivables	40,820	37,613
16	Cash and cash equivalents	23,247	21,873
15,25	Assets, available for sale	-	202,280
	Total current assets	**82,688**	**281,019**
	Total assets	**416,735**	**544,115**

Balance sheet

Equity and liabilities

Notes		Group 31.12.2021 DKK'000	Group 31.12.2020 DKK'000
	Equity		
	Share capital	2,000	2,000
	Retained earnings	-4,049	17,556
	Other reserves	112,425	52,114
	Equity, attributable to owners of the company	110,376	71,670
	Equity, non-controlling interests	4,129	12,898
	Total equity	**114,505**	**84,568**
	Liabilities		
13	Deferred tax	60,777	42,256
17	Lease liabilities	4,174	4,726
17,18	Bank debt	32,466	33,046
17,18	Bond debt	116,640	15,000
	Other liabilities	5,318	-
	Total non-current liabilities	**219,375**	**95,028**
17,18	Senior Loan	-	13,446
17,18	Bond debt	10,890	147,940
17,18	Lease liabilities	1,845	1,415
17,18	Bank debt	2,189	1,895
	Trade payables	45,557	46,895
19	Other payables	21,493	38,780
	Payables related parties and shareholder	881	4,327
	Corporate taxes payable	-	-
	Total current liabilities	82,855	254,698
15,26	Liabilities associated with assets available for sale	-	109,821
	Total current liabilities	**82,855**	**364,519**
	Total liabilities	**302,230**	**459,547**
	Total equity and liabilities	**416,735**	**544,115**

Statement of changes in equity

	Share Capital	Retained earnings	Reserve for exchange rate adjustments	Properties revaluation reserves	Equity attributable to owners of the company	Equity, Non-controlling interests	Total Equity
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 1 January 2021	2,000	17,556	-12,825	64,939	71,670	12,898	84,568
Profit/Loss for the year	-	-21,605	-	-	-21,605	-15,489	-37,094
Other comprehensive income	-	-	8,575	51,736	60,311	6,720	67,031
	2,000	**-4,049**	**-4,250**	**116,675**	**110,376**	**4,129**	**114,505**
Dividend to shareholders	-	-	-	-	-	-	-
Equity at 31 December 2021, Total	**2,000**	**-4,049**	**-4,250**	**116,675**	**110,376**	**4,129**	**114,505**

	Share Capital	Retained earnings	Reserve for exchange rate adjustments	Properties revaluation reserves	Equity attributable to owners of the company	Equity, Non-controlling interests	Total Equity
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 1 January 2020	2,000	41,071	-16,108	64,939	91,902	29,245	121,147
Profit/Loss for the year	-	-23,515	-	-	-23,515	-18,909	-42,424
Other comprehensive income	-	-	3,283	-	3,283	2,562	5,845
	2,000	**17,556**	**-12,825**	**64,939**	**71,670**	**12,898**	**84,568**
Dividend to shareholders	-	-	-	-	-	-	-
Equity at 31 December 2020, Total	**2,000**	**17,556**	**-12,825**	**64,939**	**71,670**	**12,898**	**84,568**

Statement of cash flows

Notes		Group 31.12.2021 DKK'000	Group 31.12.2020 DKK'000
	Operating profit/loss (EBIT)	**-8,179**	**-12,766**
	Depreciation, amortisation, and impairment losses	11,865	10,713
	Impairment and losses on receivables/payables	-	503
	Increase/decrease in inventories	632	585
	Increase/decrease in receivables	4,797	19,421
	Increase/decrease in trade payables and other payables	138	-2,567
	Other adjustments	-2,932	6,104
	Cash flows from ordinary operating activities	**6,321**	**21,993**
	Interest received	1,206	2,868
	Interest and financial expenses paid	-17,785	-5,668
9	Cash flow from operating activities, discontinued operations	-	12,342
	Cash flows from operating activities	**-10,258**	**31,535**
	Purchase of property, plant, and equipment	-2,713	-3,731
	Purchase of intangible assets	-1,798	-622
22	Acquisitions and divestments	63,712	-
9	Cash flow from investing activities, discontinued operations	- -	-559
	Cash flows from investing activities	**59,201**	**-4,912**
17	Repayment, bonds	-33,111	-
17	Repayment, senior loan	-13,375	-
17	Repayment, lease liabilities	-1,732	-1,762
	Repayment, bank debt	-286	-
9	Cash flow from financing activities, discontinued operations	-	-9,098
	Cash flows from financing activities	**-48,504**	**-10,860**
	Net cash flows for the year	439	15,763
	Net capital resources, beginning of year	21,873	38,684
	Exchange rate adjustment of capital resources	935	935
	Net capital resources, end of year	**23,247**	**55,382**
	Net capital resources, end of year, are composed as follows:		
	Cash and cash equivalents	23,247	21,873
25	Cash and cash equivalents, discontinued operations	-	33,509
	Net capital resources, end of year	**23,247**	**55,382**

For information about the cash flow for discontinued operations we refer to note 9.

1. Going Concern

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 ‘Stockholms Auktionsverk’, the auction house in ‘Karlstad Hammarö’ and 3 auction houses in Germany in May 2021 was 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 flow 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 report can be prepared on a going concern basis.

	Group 2021 DKK’000	Group 2020 DKK’000
2. Revenue		
Auction commissions and fees etc.	123,706	116,754
Other revenue - marketing contribution etc.	5,729	5,648
	129,435	**122,402**

The Group has no single key customers.

3. Other operating income		
Rental and other income, including sale of wine	15,965	16,436
	15,965	**16,436**

4. Other external expenses		
Fees to auditors appointed at the annual general meeting		
Audit services	827	1,227
Tax services	-	516
Other services	11	819
	838	**2,562**

Other services consist of advisory services related to financial statements and tax advisory in relation to acquisitions, divestments, and sale of assets.

Other external expenses include impairment losses on receivables of DKK -425k (651k).

	Group 2021 DKK'000	Group 2020 DKK'000
5. Staff costs		
Wages and salaries	38,856	37,377
Defined contribution pension plans, cf. below	1,196	1,220
Other social security costs	1,740	1,662
Other staff costs	1,865	1,394
	43,657	**41,653**
Average number of full-time employees	79	74

The Group has contribution pension plans with the majority of the employees in the Danish Group enterprises. According to the concluded agreement, the Group enterprises pay a monthly amount of 5 percent of the concerned employees' basic salary. The contribution recognized in the income statement in this respect has been stated above.

Wages and salaries for include subsidies and compensation of DKK 0.1m (1.2m) mainly related to COVID-19 relief packages.

Remuneration of Executive Management, Blixtz Holding A/S

Key management is defined as Board of Directors and Executive Management.

Remuneration for Board of Directors and Executive Management	2,993	3,314

According to the Danish Financial Statement Act paragraph 98b, section 3 remuneration to Executive management has not been disclosed.

6. Depreciation, amortisation, and impairment losses		
Depreciation land and buildings	1,026	993
Depreciation right-of-use assets	1,935	1,731
Depreciation other fixtures, tools, and equipment	1,379	1,210
Gains/losses from disposal	- 19	- 220
Amortisation rights acquired	3,290	899
Amortisation, developed software	4,237	6,100
	11,847	**10,713**

7. Financial income		
Interest income	1,203	2,868
Interest income from financial assets	**1,203**	**2,868**
Exchange rate gains	2,467	-
	3,670	**2,868**

Exchange rate gains are primarily related to the bond debt denominated in SEK.

	Group 2021 DKK'000	Group 2020 DKK'000
8. Financial expenses		
Interest expenses	1,280	1,937
Interest expenses, lease liabilities	842	329
Bank charges etc.	666	670
Financial expenses, debt	8,107	12,664
Financial expenses from financial liabilities	10,895	15,600
Impairment losses receivables, current accounts	152	1,804
Exchange rate loss	249	6,813
	11,296	**24,217**
9. Discontinued operations		
Revenue	32,613	91,832
Direct costs	- 4,195	- 12,046
Gross profit	**28,418**	**79,786**
Result from divestment of activities, note 22	- 5,351	-
Other external expenses	- 6,088	- 13,600
Staff costs	- 18,219	- 49,229
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	**- 1,240**	**16,957**
Depreciation, amortisation, and impairment losses*	- 4,574	- 32,542
Operating profit/loss (EBIT)	**- 5,814**	**- 15,585**
Financial income	9	40
Financial expenses	- 16,477	- 2,324
Share of result in associated companies	-	-
Profit/Loss before tax (EBT)	**- 22,282**	**- 17,869**
Tax on profit/loss for the year	- 4,843	3,181
Profit/Loss for the year, from discontinued operations	**- 27,125**	**- 14,688**

2021 includes the period from January 2021 to the sale in May 2021.

*) 2020 includes impairment of available for sale assets of DKK 19.2m.

9. Discontinued operations (continued)

	Group 2021 DKK’000	Group 2020 DKK’000
Cashflow, discontinued activities:		
Cashflow from operational activities	- 12,762	12,342
Cashflow from investment activities	-	- 559
Cashflow from financing activities	- 4,054	- 9,098
Net cashflow for the year	**- 16,816**	**2,685**
Net capital resources, beginning of year	33,509	29,882
Exchange rate adjustment of capital resources	- 129	942
Net capital resources, end of period (divested), note XX	**16,564**	**33,509**

10. Tax on profit/loss for the year

	Group 2021 DKK’000	Group 2020 DKK’000
Current tax for the year	-	131
Deferred tax change for the year	- 5,639	- 6,922
Adjustment to taxes, prior years	- 143	- 289
Adjustment to deferred tax, prior years	- 55	701
Tax on profit/loss for the year	**- 5,836**	**- 6,379**

Current tax for the financial year is for Danish enterprises based on a tax rate of 22.0 % (2020: 22.0 %).

Tax on profit/loss for the year is made up as follows:

	Group 2021 DKK’000	Group 2020 DKK’000
Computed 22.0 % tax on profit/loss for the year before tax (2020: 22.0 %)	- 4,099	- 7,505
Adjustment to taxes, prior years	- 143	- 289
Adjustment to deferred tax, prior years	- 55	701
Recognition of previously unrecognized tax asset	2,829	- 127
Tax effect of non-deductible expenses/non-taxable income	- 4,368	841
	- 5,836	**- 6,379**
Effective tax rate	37.0 %	18.7 %

Tax on other comprehensive income DKK 20,120k (2020: DKK 0k).

11. Intangible assets (DKK’000)

	Software in process of development	Developed software	Rights acquired	Goodwill
Cost at 1 January 2021	686	60,726	10,223	93,199
Exchange rate adjustments	-	47	-	-
Disposals	-	-1,107	-	-
Transferred	-622	622	-	-
Cost at 31 December 2021	**64**	**60,288**	**10,223**	**93,199**
Amortisation at 1 January 2021	-	54,526	7,474	-
Impairment losses at 1 January 2021	64	-	-	52,653
Exchange rate adjustments	-	47	1	-
Amortisation for the year	-	4,237	1,493	-
Disposals	-	-1,107	-	-
Amortisation and impairment losses at 31 December 2021	**64**	**57,703**	**8,967**	**52,653**
Carrying amount at 31 December 2021	**-**	**2,585**	**1,256**	**40,546**
Cost at 1 January 2020	64	60,789	65,666	195,827
Exchange rate adjustments	-	-63	1,851	4,721
Additions from acquisitions	-	-	-	6,099
Additions	622	-	-	-
Transfer, assets available for sale	-	-	-57,294	-113,448
Cost at 31 December 2020	**686**	**60,726**	**10,223**	**93,199**
Amortisation at 1 January 2020	-	48,488	17,560	-
Impairment losses at 1 January 2020	64	-	-	83,645
Exchange rate adjustments	-	-62	444	1,049
Impairments for the year	-	-	-	19,235
Amortisation for the year	-	6,100	2,630	-
Transfer, assets available for sale	-	-	-13,160	-51,276
Amortisation and impairment losses at 31 December 2020	**64**	**54,526**	**7,474**	**52,653**
Carrying amount at 31 December 2020	**622**	**6,200**	**2,749**	**40,546**

11. Intangible assets (continued)

The intangible assets are related to the activities of Lauritz.com Group A/S.

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 December 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 2021, 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 2022 period and the forecast period 2023-2027 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 2021 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 2022 compared to 2021, and by 5-10% per year in the forecast period 2023 until 2027. 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 2.7m in 2021 to a level between DKK 3m and DKK 8m in 2022. 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 a yearly growth in EBITDA of 15-25 percent, bringing EBITDA to a level between DKK 20m and 25m 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 10-15 percent of budgeted EBITDA. The effect of expected acquisitions is not included at investment level.

The discount rate is determined based on the Company’s marginal borrowing rate plus a risk premium that reflects the risk involved in investing in shares and the risk involved in the activity performed, equivalent to a pre-tax discount rate of 11.5 percent (11.5).

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

11. Intangible assets (continued)

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):

	Group
	2021
Average Auction Turnover-growth for 2023 to 2027	- 1 %
Average EBITDA-growth for 2023 to 2027	- 5 %
WACC, pre-tax	29 %
Terminal growth	Can not result in impairment on its own

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

	Right-of-use assets	Land and buildings	Other fixtures etc.
Cost at 1 January 2021	9,121	89,733	57,613
Exchange rate adjustments	-	-668	-26
Additions	516	287	2,532
Remeasuring of value of assets	941	-	-
Disposal/expired	-2,687	-	-680
Cost at 31 December 2021	**7,891**	**89,352**	**59,440**
Revaluation at 1 January 2021	-	90,193	-
Revaluation for the year	-	71,856	-
Revaluation at 31 December 2021	**-**	**162,049**	**-**
Depreciation at 1 January 2021	3,310	15,551	27,619
Exchange rate adjustments	-	-	-14
Depreciation for the year	1,935	1,026	1,379
Depreciation related to disposals/expirations	-2,840	-	-654
Depreciation at 31 December 2020	**2,405**	**16,577**	**28,329**
Carrying amount at 31 December 2021	**5,486**	**234,824**	**31,110**
Cost at 1 January 2020	48,620	89,837	60,923
Exchange rate adjustments	3,025	-314	184
Additions	3,270	210	3,521
Remeasuring of value of assets	14,193	-	-
Disposal	-2,507	-	-379
Transfer, assets available for sale	-57,480	-	-6,636
Cost at 31 December 2020	**9,121**	**89,733**	**57,613**
Revaluation at 1 January 2020	-	90,193	-
Revaluation at 31 December 2020	**2,405**	**90,193**	**28,329**
Depreciation at 1 January 2020	17,861	14,558	29,960
Exchange rate adjustments	1,391	-	144
Depreciation for the year	12,326	993	2,282
Depreciation related to disposals	-2,507	-	-263
Transfer, assets available for sale	-	-	-4,504
Depreciation at 31 December 2020	**3,310**	**15,551**	**27,619**
Carrying amount at 31 December 2020	**5,811**	**164,375**	**29,994**

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 3 years.

13. Deferred tax

	Group 2021 DKK'000	Group 2020 DKK'000
Deferred tax at 1 January	- 31.314	- 35,695
Exchange rate adjustments	- 2	- 193
Adjustments, prior years	1,162	- 701
Transfer, assets available for sale	-	- 1,647
Deferred tax on profit/loss for the year	5,639	6,922
Deferred tax on other comprehensive income	- 20,120	-
Deferred tax at 31 December, net	**- 44,631**	**- 31,314**
Specification of deferred tax:		
Tax losses carry forwards	8,044	2,329
Buildings	- 60,777	- 40,657
Other timing differences other assets and liabilities	8,102	- 7,014
	- 44,631	**- 31,314**

Each of the changes in deferred tax is recognized in profit/loss or other comprehensive income for the year. Tax loss carry forwards are expected to be utilized within 5 years.

Deferred tax is recognized as follows in the balance sheet:		
Deferred tax (asset)	16,146	10,942
Deferred tax (liability)	- 60,777	- 42,256
Deferred tax at 31 December, net	**- 44,631**	**- 31,314**

14. Financial assets (DKK'000)

	Deposits
Cost at 1 January 2021	1,857
Exchange rate adjustments	1
Addition	236
Cost at 31 December 2021	**2,094**
Carrying amount at 31 December 2021	**2,094**
Cost at 1 January 2020	3,378
Disposal	- 1,521
Cost at 31 December 2020	**1,857**
Carrying amount at 31 December 2020	**1,857**

15. Receivables

	Group 31.12.2020 DKK'000	Group 31.12.2020 DKK'000
Trade receivables	1,969	2,585
Contractual receivables	32,161	30,252
Other receivables	6,616	4,702
	40,746	**62,237**

Contractual receivables relate to the sale of 5 partnership agreements and 1 sale of shares. The contractual receivables from sale of partnerships agreements are in the range of DKK 1.9m to DKK 12.2m. 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. The receivable related to the sale of shares is non-interest bearing and has no contingencies.

Of the contractual receivables DKK 14.7m (26.6m) 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.

The impairment losses included in receivables have developed as follows:

Lifetime Expected Credit Loss:

Impairment losses at 1 January	3,893	13,951
Realised impairments losses	- 2,912	- 5,847
Impairment losses for the period	-	2,145
Transferred to discontinued activities	-	- 6,356
Impairment losses at 31 December	981	3,893

The Group has no significant credit risks in trade receivables related to a single costumer 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 recognized if the receivables show indication of impairment.

16. Cash and Cash equivalents

Cash and cash equivalents include restricted cash amounting to DKK 0.5m (0.5m).

	Group 31.12.2020 DKK'000	Group 31.12.2020 DKK'000

17. Financial liabilities and financial activities

Financial liabilities include:

Bond debt, non-current	116,640	15,000
Bond debt, current	10,890	147,940
Senior loan	-	13,446
Bond debt & Senior loan debt	**127,530**	**176,386**
Lease liabilities, non-current	4,174	4,726
Lease liabilities, current	1,845	1,415
Lease liabilities	**6,019**	**6,141**

The financial activities are:

	Bond debt & Senior loan debt DKK'000	Lease liabilities DKK'000
Financial liabilities 1 January 2021	176,386	6,141
Cash flow from settlements	- 46,486	- 1,732
Non-cash changes:		
Exchange rate adjustments	- 2,370	153
Added new liabilities	-	516
Remeasure of liabilities	-	941
Financial liabilities 31 December 2020	**127,530**	**6,019**
Financial liabilities 1 January 2020	171,106	32,021
Financial liabilities 1 January 2020, available for sale	-	- 24,987
Cash flow from settlements	-	- 1,569
Non-cash changes:		
Exchange rate adjustments	5,280	75
Remeasure of liabilities	-	601
Financial liabilities 31 December 2020	**176,386**	**6,141**

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

The parent company Blixtz Holding A/S issued unlisted corporate bonds on 1 July 2016 with a principal amount of DKK 15m. The bonds carry interest at 5 percent and are redeemed at par after five years from the date of issue. As from June 2021 the bond terms are changed. The final redemption date is 30 June 2024. Annual interest payment is 2.5 percent, and the accrued remaining interest payment is due on redemption date in June 2024.

The Lauritz.com Group has a bond originally issued in 2014, with new terms from 2019.

The main terms of the bond debt at 31.12.2021 (the balance sheet date) are:

- Outstanding principal amount SEK 155m (SEK 200m).
- Fixed interest rate of 4.0 percent on the principal amount SEK 155m.
- Redemption in May 2022 for SEK 15m (after receiving the last part of the sales proceeds (SEK 15m) from the divestment of activities in May 2021).
- Final redemption date of SEK 140m is 17 December 2024, no yearly redemptions.
- Interest for the period 17 December 2020 to 17 December 2021 to be paid at maturity of the bond in December 2024.
- 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.

The senior loan issued in June 2019 was repaid in May 2021 in connection with the divestment of activities.

19. Other payables

Other payables include payroll taxes, holiday pay, payable VAT, severance pay and other costs payable.

20. Financial risks

Currency risks

The Group’s currency risks for the continuing operations are primarily related to the bond debt denominated in SEK. The remaining currency exposure is primarily in DKK. The difference between ingoing and outgoing payments denominated in the same currency is a measure of currency risk.

2021 (DKK’000)	**Cash and cash equivalents**	**Receivables**	**Bank debt**	**Bond debt and senior loan**	**Other liabilities**	**Net position**
NOK	364	100	-	-	-149	-315
EUR	2,424	3,966	-34,665	-	-2,674	-30,939
ZAR	37	-	-	-	-13	24
SEK	85	1,720	-	-112,530	-4,984	-115,710
31 December 2021	**2,910**	**12,733**	**-34,665**	**-112,530**	**-7,820**	**-146,309**
2020 (DKK’000)						
NOK	248	104	-	-	-796	-444
EUR	5,579	11,023	-34,941	-	-4,699	-23,038
ZAR	45	-	-	-	-56	-11
SEK	701	1,606	-	-161,386	-3,587	-162,666
31 December 2020	**6,573**	**12,733**	**-34,941**	**-161,386**	**-9,138**	**-186,159**

20. Financial risks (continued)

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 December 2021 would, including the effects on intangible assets denominated in foreign currencies, affect comprehensive income and equity by approx. DKK 4.9 (4.4m). The above table shows the difference between the 31 December 2021 fair value calculated for the Group's monetary assets and liabilities denominated in foreign currencies.

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 and is primarily related to interest on cash in bank accounts.

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.

2021 (DKK'000)	**0-1 years**	**1-2 years**	**2-3 years**	**3+ years**	**Total**
Bond principal	10,890	-	121,958	-	132,848
Bond interest	4,645	4,645	7,775	-	17,065
Lease liabilities	1,845	1,531	1,550	1,093	6,019
Bank debt	1,813	-	-	31,488	33,301
Other liabilities	92,211	-	-	-	92,211
31 December 2021	**111,404**	**6,176**	**131,283**	**32,581**	**281,444**

2020 (DKK'000)					
Bond debt and senior loan	163,386	-	-	15,000	178,386
Lease liabilities	1,415	1,415	1,415	1,896	6,141
Bank debt					
Other liabilities	87,507	-	-	-	87,507
31 December 2020	**252,308**	**1,415**	**1,415**	**16,896**	**272,034**

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 42 days. 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.

20. Financial risks (continued)

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 affected 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, Jyske Bank, Danske Bank, SEB and DNB.

Credit risks related to contractual receivables and other receivables are disclosed in note 15.

Other

The Group regularly assesses its capital structure with a view to ensuring adequate equity in the Group. Reference is made to note 18 and management's current activities regarding refinancing of the Group.

21. Dividend

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

For the financial year 2021, the Board of Directors has proposed dividend of DKK 0k, corresponding to DKK 0 per share.

22. Acquisitions and divestments

Acquisitions in 2021, auction house in Köln

On 4 January 2021 the Group acquired the activities of the Lauritz.com auction house in Köln from previous partner, to operate this auction house ourselves or divest.

	DKK'000
Fixed assets	106
Other receivables	219
Cash and cash equivalents	17
Other payables	- 342
Net assets acquired	**0**
Goodwill	-
Total consideration	**0**

No part of the total consideration is recognized as contingent consideration. The Group has acquired net assets totalling DKK 0k including cash acquired of DKK 0k. The Group has incurred transaction costs of DKK 0k.

Cash payment	-
Total cost of acquisition	**-**

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 were part of the activities divested in May 2021.

22. Acquisitions and divestments (continued)

Divestments in 2021, auction activities in Stockholms Auktionsverk, Karlstad Hammarö and 3 German auction houses

In May 2021 the Group finalised the divestment of auction activities in Stockholms Auktionsverk, Karlstad Hammarö and 3 German auction houses.

	DKK'000
Booked values of divested activities, at disposal in May 2021:	
Goodwill	61,579
Acquired rights	43,383
Right of use assets	29,738
Other tangible assets	2,103
Deposits	490
Inventories	24
Receivables from sales	6,108
Receivables inter-group	33,573
Other receivables	2,573
Prepayments corporate taxes	709
Cash and bank	16,564
Liabilities leasing	- 32,453
Deferred taxes	- 1,666
Trade payables	- 35,455
Other payables	- 13,596
Net assets divested	**113,674**
Cash settlement at closing	75,994
Receivable (deferred payment May 2022 15m SEK)	11,037
Debt transfer to buyer	33,573
Total consideration	**120,604**
Cost of sale total	12,281
Result from sale of activities	**- 5,351**

No part of the total consideration is recognized as contingent consideration. The Group has divested net assets totalling DKK 113.7m including cash of DKK 16.6m. The Group has incurred transaction costs of DKK 12.3m.

22. 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.

	DKK'000
Fixed assets	246
Net assets acquired	**246**
Goodwill	6,099
Total consideration	**6,345**

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	6,099
Total cost of acquisition	**6,345**

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.

23. Contingencies etc.

Contingent liabilities, consolidated financial statements

Lands and buildings and other fixtures with a carrying amount of DKK 184,9m (2020: 184,6m) have been pledged to secure borrowings of the Group. The pledge amounts to DKK 105m. (2020: 105m) For further information see note 18.

The Swiss bank Van Lanschot has a pledge in the Lauritz.com Group A/S-shares for the existing bank debt with a carrying amount of DKK 2.7m (2020: 3.2m).

The Group has issued a letter of support to the subsidiaries Ejendomsselskabet Blixtz ApS, Lauritz.com Globen AB and Lauritz Shop A/S. This is not expected to have any impact on comprehensive income or equity.

The Group participates in a national joint taxation arrangement with Blixtz Holding A/S (Parent Company) 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 financial statement of the administration company.

24. Related parties

Related parties with a controlling interest

The following related parties have a controlling interest in Blixtz Holding A/S:

Name	*Registered office*	*Basis of control*
Bengt Olof Tony Sundström	Klampenborg	Shareholder is holding the majority of voting rights in Blixtz Holding A/S

Subsidiaries	**Registered office**	**Ownership interest**
Lauritz.com Group A/S	Søborg, Denmark	56 %
Lauritz.com A/S	Søborg, Denmark	56 %
LC Danmark ApS	Søborg, Denmark	56 %
Lauritz Shop A/S *	Søborg, Denmark	56 %
QXL.no AS *	Oslo, Norway	56 %
Lauritz.com SE1 AB (dormant)*	Helsingborg, Sweden	56 %
Lauritz.com SE2 AB (dormant) *	Helsingborg, Sweden	56 %
Lauritz.com Globen AB (dormant) *	Stockholm, Sweden	56 %
Ejendomsselskabet Blixtz ApS	Herlev, Denmark	100 %
Vignelaure S.A.S. *	Rians, France	100 %
Göholms skog och lantbruk AB *	Ronneby, Sweden	100 %
Goodwill Mountain (Pty) Ltd. *	Cape Town, South Africa	75 %
Passionsfabrikken ApS *	Herlev, Denmark	100 %

Entities divested in May 2021 by Lauritz.com A/S:

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

* The company is not audited by Beierholm.

Related individuals

Bengt Olof Tony Sundström, Chairman of The Board of Directors (since 2005)
Mette Margrethe Rode Sundstrøm, CEO (since 2005)
John Tyrrestrup, Member of The Board of Directors (since 2005)
Claus Clemen Boysen, Member of The Board of Directors (since 2013)

Transactions with related parties

Blixtz Holding A/S did not enter significant transactions with members of the Board or the Executive Management, except for compensation and benefits received because of their membership of the Board, employment with Lauritz.com Group A/S or shareholdings in Lauritz.com Group A/S. See note 5.

25. Available for sale

	Disposal Group 31.12.2020 DKK'000
Assets	
Rights acquired	44,134
Goodwill	62,172
Right-of-use assets (buildings)	31,719
Other fixtures and fittings, tools, and equipment	2,132
Deferred tax	11,004
Inventory	10
Trade receivables	11,279
Tax receivable	688
Other current receivables	5,633
Cash and cash equivalents	33,509
Total assets available for sale	**202,280**
Liabilities	
Deferred tax	6,158
Lease liabilities, non-current	21,617
Lease liabilities, current	12,500
Trade payables	59,789
Other payables	9,757
Total liabilities available for sale	**109,821**

Assets and liabilities available for sale include all the auction business of Stockholms Auktionsverk in Sweden and Finland, the auction house in Karlstad-Hammerö, and the auction houses in Germany. The sale agreement was completed in May 2021.

For result of the divestment of the assets and liabilities available for sale, please refer to note 22.

26. Events after the balance sheet date

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

27. Approval of annual report for publication

At the Board of Directors' meeting on 05 July 2022, the Board of Directors has approved the present annual report for publication.

The annual report will be presented to the shareholders of Blixtz Holding A/S for their approval at the annual general meeting on 05 July 2022.

28. Accounting policies

The Annual Report of Blixtz Holding A/S for the financial year 2021 has been presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of reporting middle class C under the Danish Financial Statements Act.

The Annual Report is presented in Danish kroner (DKK), which is the presentation currency of the Group's activities and the functional currency of the Parent.

The accounting policies applied are consistent with those applied for 2020.

Changes in accounting policies
No new relevant accounting standards has been identified for Blixtz Holding A/S for the years commencing from 1 January 2021.

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to impact the financial statements of Blixtz Holding A/S. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Correction of errors in prior periods
The classification of assets, as well as the revenue and direct cost between continuing and discontinuing operations at 31.12.2020 has been restated due to a correction of a material error. The result for the year and equity of the group is unchanged. The 2020 revenue and the direct cost of continuing operations decrease by DKK 1.0m and the revenue and direct cost of the discontinued operations increase by DKK 1.0m. The assets available for sale decrease by DKK 16.784k and intangible assets increase by DKK 16,784k in the balance sheet at 31.12.2020. The corrections have no impact to earlier periods.

Critical accounting judgements and key sources of estimation uncertainty
When applying the Group's accounting policies, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily evident from other sources. These estimates and assumptions are based on historic experience and other relevant factors. Actual results may vary from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During annual testing of goodwill and other non-current assets, including tax assets for impairment, or when an indication of impairment exists, an assessment is made as to how those activities of the Group (cash-generating unit) that relate to goodwill would be able to generate sufficient positive future net cash flows to support the value of goodwill, non-current intangible assets and property, plant and equipment relating to those activities. Due to the nature of the business, estimates are made of cash flows for many years ahead, which inherently is subject to some uncertainty. This risk and this uncertainty are reflected in the discount rate applied and in the terminal value growth rate.

Estimation of fair value for the property Vignelaure is based on a third-party valuation performed by a real estate agent specialized in vineyards. Estimation of fair value is subject to uncertainty due to the nature of the asset and the market conditions. For further information regarding historical cost price and revaluation see note 12, 15 and statement of changes in equity.

In calculating write-downs for bad and doubtful debts, Management has made estimates based on information available and other indications.

28. Accounting policies (continued)

Gains or losses on divestments of subsidiaries and associates are stated as the difference between the sales price or settlement price and the fair value of any remaining equity and the book value of net assets on the time of sale or winding up, including goodwill, less any minority interests. Gains or losses are recognized in the statement of comprehensive income as well as accumulated foreign currency translation adjustments previously recognized in other comprehensive income. Business Units that have been divested of in the financial year or are expected to be divested within the following 12 months, are in the profit and loss classified as discontinued operations, and in the balance-sheet classified as assets and liabilities held for sale.

It may be necessary to change previous estimates due to changes in those circumstances on which the estimates are based, or due to new information or subsequent events.

Consolidated financial statements
The consolidated financial statements include the Parent, Blixtz Holding A/S, and the subsidiaries that are controlled by the Parent. The Parent is deemed to have control when it has power over the relevant activities of the entity in question and when it has exposure, or rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of variable returns.

Entities in which the group exercises a significant but non-controlling influence are considered associated companies. A significant influence is usually achieved by directly or indirectly owning or controlling 20-50 percent of the voting rights. Agreements and other circumstances are considered when assessing the degree of influence.

The consolidated financial statements are prepared on the basis of the financial statements of Blixtz Holding A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement items of a uniform nature. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. Subsidiaries' financial statement items are recognized in full in the consolidated financial statements.

Business combinations
Newly acquired or newly established enterprises are recognized in the consolidated financial statements from the time of acquiring or establishing such enterprises. Time of acquisition is the date on which control over the enterprise is actually obtained. Divested or wound-up enterprises are recognized in the consolidated statement of comprehensive income up to the time of their divestment or wind-up.

The purchase method is applied on acquisition of new entities over which Blixtz Holding A/S obtains control.

The identifiable assets, liabilities and contingent liabilities of the entities acquired are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they can be separated or arise out of a contractual right, and their fair value can be calculated reliably. Deferred tax is recognized for any reassessments made.

Cost of an enterprise consists of fair value of the consideration agreed. If part of the consideration is contingent upon future events, such part is recognised in cost in so far as the events are likely to occur, and the consideration can be calculated reliably.

Positive differences (goodwill) between the cost of the entity acquired and the fair value of the identifiable assets acquired, net of the amount of liabilities and contingent liabilities, are recognised as goodwill in intangible assets. Goodwill is not amortised but tested at least once a year for impairment. On acquisition, goodwill is allocated to cash-generating units, which then form the basis of impairment testing.

28. Accounting policies (continued)

If the asset's carrying amount is higher than its recoverable amount, it is written down to such lower recoverable amount. Goodwill and fair value adjustments made as part of the acquisition of a foreign entity using a functional currency other than the presentation currency used by Blixtz Holding A/S are accounted for as assets and liabilities belonging to the foreign entity and translated into Danish kroner (the functional currency) applied by the foreign entity at the transaction date exchange rate. Negative balances (negative goodwill) are recognised in other operating income in the statement of comprehensive income at the date of acquisition.

If uncertainty exists at the date of acquisition as to the measurement of identifiable assets, liabilities or contingent liabilities acquired, initial recognition will be based on preliminary fair values. Should the fair values of identifiable assets, liabilities, or contingent liabilities at the date of acquisition then turn out to differ from those previously estimated, goodwill is adjusted up until 12 months after the date of acquisition, and adjustments are subsequently taken to the statement of comprehensive income.

Gains or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of net assets, including goodwill, at the time of sale plus divestment or winding-up expenses.

Foreign currency translation
Foreign currency transactions are translated using the transaction date exchange rate. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date are recognized in the statement of comprehensive income as financial income or financial expenses. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognised directly in other comprehensive income.

Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences

that arise between the rate at the balance sheet date and the rate in effect at the time when the payable or the receivable arose are recognized in the statement of comprehensive income as financial income or financial expenses.

Non-current assets purchased in foreign currencies are translated applying the transaction date exchange rate.

On recognition in the consolidated financial statements of entities using functional currencies other than Danish kroner, the income statement items are translated using the average exchange rate for the year, whereas the balance sheet items are translated at the balance sheet date exchange rate. Exchange differences arising out of the translation of such entities' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from the transaction date exchange rates to the balance sheet date exchange rates are recognized in other comprehensive income.

Statement of comprehensive income
Revenue
The Auction business of Lauritz.com generates revenue from knockdowns on the auction platforms of the group, consisting of commissions and fees from auctions, seller advertising, marketing contribution received prom partner owned auction houses etc. Revenue from auctions etc. is recognised in the statement of comprehensive income once the sale has taken place and the income can be determined reliably and receipt thereof is expected.

Furthermore, revenue is generated through fees from sales of partnership agreements. Revenue from sale of partnership agreements is recognised once a sale is completed, and the income can be determined reliably, and is presented separately in the notes. Revenue is recognised net of VAT and duties and less sales discounts.

28. Accounting policies (continued)

Direct costs
Direct costs are composed of the share of commissions and fees paid to partner owned auction houses and packing and distribution costs as well as other costs related to revenue.

Other operating income
Other operating income comprises income of a secondary nature relative to the Group's activities, including rental income and sale of wine.

Other external expenses
Other external expenses comprise expenses for sale, marketing, administration, premises, bad debts, operating lease expenses, etc.

Staff costs
Staff costs include wages, salaries, pension contributions, fees to the Board of Directors and the Executive Board as well as other social security costs.

Share-based payment transactions
Equity-settled share-based payment transactions with employees are measured by reference to the fair value at the grant date. The cost of equity-settled transactions is recognized as staff costs together with a corresponding increase in equity over the period in which the performance and/or the service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Management's best estimate of the number of equity instruments that will ultimately vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate at the beginning and end of that period.

Financial income and expenses
These items comprise interest income and interest expenses, realised and unrealised capital gains and losses from liabilities and foreign currency transactions as well as amortisation of financial assets and liabilities. Financial income and expenses are recognized at the amounts relating to the financial year.

Profit/loss from investments in subsidiaries (Parent)
Dividends from equity investments are recognized when unconditional entitlement to such dividends arise. This is typically the date on which the annual general meeting approves distribution by the relevant entity.

Tax on profit/loss for the year
The Group participates in a joint taxation arrangement with both Danish and foreign group enterprises.

Current Danish income tax is allocated among the jointly taxed enterprises proportionally to their taxable income (full allocation with a refund concerning tax losses). The jointly taxed enterprises are subject to the Danish Tax Prepayment Scheme.

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the statement of comprehensive income by the portion attributable to profit or loss for the year or taken to other comprehensive income by the portion attributable to entries directly in other comprehensive income. Tax recognised in the statement of comprehensive income is classified as tax on profit or loss for the year.

28. Accounting policies (continued)

Balance sheet
Intangible assets
On initial recognition, goodwill is recognized at cost in the balance sheet as described under “Business combinations”. Subsequently, goodwill is measured at cost less any accumulated impairment losses.
The carrying amount of goodwill is allocated to the Group’s cash-generating unit at the time of acquisition.
Determination of cash-generating units complies with the management structure and management control of the Group. As a result of integrating the acquired entities in the existing Group, Management estimates that the lowest level of cash-generating units, to which the carrying amount of goodwill may be allocated, is at group level as it is generally impossible to trace and measure the value of goodwill in each of the entities acquired after a short period of time.

Rights acquired are measured at cost less accumulated amortisation. Rights acquired are amortised on a straight-line basis over their estimated useful lives, which are estimated to be up to 20 years or less depending on the terms of contract.

Software in process of development comprises both externally acquired software and proprietary software qualifying for capitalisation. Software in process of development is not amortised, however, its value is tested on a regular basis, which may result in a write-down.

Completed software is amortised on a straight-line basis using its estimated useful life. The period of amortisation is usually 3 to 5 years.

Intangible assets with indefinite useful lives are not amortised but are tested at least once a year for impairment. If the assets' carrying amounts exceed their recoverable amounts, they are written down to such lower amount. In the balance sheet, intangible assets with indefinite useful lives are presented in “Rights acquired”.

Right-of-use assets (leased assets)
The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to the lease arrangements in which it is the lessee, except for short term leases (under 12 month) and leases of low value assets. For short term and low value asset leases the group recognises the lease payments in operating expenses on a straight-line basis over the lease term.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use assets are presented as a separate line in the consolidated balance sheet.

Property, plant, and equipment
Land and buildings held for use in the production or supply of (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the property’s revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

28. Accounting policies (continued)

A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of that asset.
Depreciation on revalued buildings is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property's revaluation reserve is transferred directly to retained earnings.

Land is not depreciated. Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs, if the asset is of an age and a condition that is expected after the end of useful life.

Depreciation is provided on a straight-line basis from the following assessment of the assets' expected useful lives:

Buildings	50 years
Other fixtures and fittings, tools, and equipment	3 to 10 years

The gain or loss arising from the disposal of an item of property, plant and equipment is determined as the difference between the selling price net of selling costs and the carrying amount at the time of sale. Gains or losses are recognised in "Depreciation and amortisation" in the statement of comprehensive income.

Write-down for impairment of non-current assets
The carrying amounts of both intangible assets and items of property, plant and equipment are reviewed annually for any indicators of impairment in addition to that reflected through amortisation and depreciation. However, goodwill and intangible assets with indefinite useful lives are tested annually for impairment, the first time being at the end of the acquisition year.

If any such indication exists, impairment tests are made of each asset and group of assets, respectively. Write-down is made to the lower of recoverable amount and carrying amount.

The recoverable amount is the higher of net selling price and value in use. Value in use is the present value of the estimated net income from using the asset or the group of assets.

Non-current financial assets
Deposits
Deposits are measured at cost.

Investments in group enterprises
Parent
Investments in subsidiaries are recognised and measured at cost in the parent's balance sheet. An impairment test is made if there is any indication of impairment. If cost exceeds recoverable amount, cost is written down to recoverable amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

28. Accounting policies (continued)

Trade receivables, contract receivables and other receivables
Trade receivables, contract receivables and other receivables are initially recognised at Fair value, plus any direct transaction costs, and subsequently measured at amortised cost using the effective interest method. For other receivables and contract receivables, write down is made for anticipated losses in accordance with IFRS 9 based on specific individual or group assessments. For trade receivables, the loss allowance is measured in accordance with IFRS 9 applying a provision matrix based on the groups historical loss experience adjusted for expected changes in specific or general circumstances.

Assets and liabilities held for sale
Assets classified as held for sale comprise assets and liabilities, the value of which are highly probable to be recovered through a sale within 12 months rather than through continued use. Assets and liabilities classified as held for sale are measured at the carrying amount at the time of classification as 'held for sale' or at market value, less selling costs, whichever is lower. The carrying amount is measured in accordance with the Group's accounting policies. No depreciation or amortisation is recognized on intangible assets and property, plant, and equipment from the time of classification as 'held for sale'

Equity and liabilities

Equity
Proposed dividend is recognized as a liability at the time of adoption at the annual general meeting (the time of declaration).

Reserves for treasury shares are recognized at purchase value.

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the property's revaluation reserve will not be reclassified subsequently to profit or loss.

Reserves for exchange rate adjustments comprise exchange differences arising from the translation of financial statements of entities with a functional currency other than Danish kroner.

Current tax and deferred tax
The current tax payable or receivable is recognized in the balance sheet, stated as tax computed on this year's taxable income adjusted for prepaid tax.

Deferred tax is the tax recognised on temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax liabilities as well as deferred tax assets are recognised.

Deferred tax is measured based on the current tax rate. Changes in deferred tax resulting from changed tax rates are recognized in the statement of comprehensive income.

Liabilities
Financial liabilities are recognized at the time of borrowing at nominal value less transaction costs incurred, equivalent to the proceeds received. Subsequently, financial liabilities are recognized at amortised cost equal to the capitalised value using the effective interest method to the effect that the difference between the proceeds and the nominal amount is recognized in the statement of comprehensive income over the terms of the loan.

28. Accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the group uses its incremental borrowing rate. The lease liability is presented as a separate line in the consolidated balance sheet.

Other liabilities including debt to suppliers, subsidiaries as well as other payables are measured at amortised cost which usually corresponds to nominal value.

Cash flow statement
The cash flow statement is presented using the indirect method and shows cash flows for the year by operating, investing, and financing activities, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as profit or loss for the year adjusted for non-cash operating items, working capital changes as well as interest income, interest expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of entities and activities as well as the acquisition and sale of non-current assets.

Cash flows from financing activities comprise changes in the size or composition of share capital and related expenses. Moreover, cash flows from financing activities comprise raising of loans, repayments of interest-bearing debt including debt related to right-of-use assets and payment of dividend.

Discontinued operations comprise all revenue and expenses and gain and losses for operations either being held for sale, or which have already been disposed of. Discontinued operations are reported separately from the continued operations in the financial statements. Comparative figures are restated to segregate the continuing and discontinuing assets, liabilities, income, expenses, and cash flows.

Cash and cash equivalents comprise cash less any overdraft facilities forming an integral part of cash management.

Financial assets and liabilities
The Group and the Parent classify their financial assets as loans and receivables and their financial liabilities as other financial liabilities.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are stated in current assets. The maturity profile of the Loans and receivables is shown in the notes. In the balance sheet, loans and receivables are classified as "Deposits", "Trade receivables", "Contract receivables", and "Other receivables".

Other financial liabilities
Financial liabilities are non-derivative financial liabilities that are measured at amortised cost. They are recognized in the balance sheet under non-current liabilities when the time to maturity from the balance sheet date exceeds 12 months. In the event of maturity within 12 months, they are recognized under current liabilities. Other financial liabilities are classified in the balance sheet as "Trade payables" and "Other payables".

Statement of comprehensive income 1 January – 31 December

Notes		Parent Company 2021 DKK'000	Parent Company 2020 DKK'000
	Revenue	55	101
	Gross Profit	**55**	**101**
2	Other external expenses	- 92	- 470
	Operating profit/loss before depreciation, amortisation and impairment (EBITDA)	**- 37**	**- 369**
3	Depreciation and amortisation	- 22	- 38
	Operating profit/loss (EBIT)	**- 59**	**- 407**
9	Result from interests in subsidiaries	- 6,762	272
4	Financial income	5,794	2,204
5	Financial expenses	- 2,359	- 1,128
	Profit/Loss before tax (EBT)	**- 3,386**	**397**
6	Tax on profit/loss for the year	157	- 176
	Profit/Loss for the year	**- 3,229**	**221**
	Other comprehensive income	-	-
	Total comprehensive income	**- 3,229**	**221**

Balance sheet

Assets

Notes		Parent Company 31.12.2021 DKK'000	Parent Company 31.12.2020 DKK'000
	Non-current assets		
7	Rights acquired	-	-
	Total intangible assets	-	-
8	Other fixtures and fittings, tools, and equipment	1,740	1,762
	Total property, plant, and equipment	1,740	1,762
9	Equity interest in subsidiaries	22,903	29,665
12	Deferred tax	45	45
	Receivables group enterprises	78,735	78,267
	Total financial assets	101,683	107,977
	Total non-current assets	**103,423**	**109,739**
	Current assets		
	Corporate taxes receivables	-	-
	Other current receivables	6	764
	Total receivables	6	764
	Cash and cash equivalents	503	20
	Total current assets	**509**	**784**
	Total assets	**103,932**	**110,523**

Balance sheet

Equity and liabilities

Notes		Parent Company 31.12.2021 DKK'000	Parent Company 31.12.2020 DKK'000
	Equity		
10	Share capital	2,000	2,000
	Retained earnings	71,610	74,839
	Total equity	**73,610**	**76,839**
	Liabilities		
	Bank debt	2,666	3,246
11	Bond debt	15,000	15,000
12	Deferred tax	-	-
	Total non-current liabilities	17,666	18,246
	Trade payables	249	803
13	Other payables	3,172	2,311
	Payables group enterprises	8,357	7,831
	Payables related parties and shareholder	878	4,327
	Corporate taxes payable	-	166
	Total current liabilities	12,656	15,438
	Total liabilities	**30,322**	**33,684**
	Total equity and liabilities	**103,932**	**110,523**

Statement of changes in equity

	Share capital DKK'000	Retained earnings DKK'000	Total Equity DKK'000
Equity at 1 January 2021	2,000	74,839	76,839
Profit/Loss for the year	-	-3,229	-3,229
Other comprehensive income	-	-	-
	2,000	71,610	73,610
Dividend to shareholders	-	-	-
Equity at 31 December 2021	**2,000**	**71,610**	**73,610**
Equity at 1 January 2020	2,000	74,618	76,618
Profit/Loss for the year	-	221	221
Other comprehensive income	-	-	-
	2,000	74,839	76,839
Dividend to shareholders	-	-	-
Equity at 31 December 2020	**2,000**	**74,839**	**76,839**

Statement of cash flows

	Parent Company 2021 DKK'000	Parent Company 2020 DKK'000
Operating profit/loss (EBIT)	**- 59**	**- 407**
Depreciation and amortisation	22	38
Increase/decrease in receivables	4,075	- 2,243
Increase/decrease in trade payables and other payables	- 2,989	298
Other adjustments	155	718
Cash flows from ordinary operating activities	1,204	- 1,596
Interest received	1,402	1,562
Interest paid	- 1,520	- 378
Income tax paid	- 23	-
Cash flows from operating activities	**1,063**	**- 412**
Purchase of financial assets	-	-
Sale of financial assets	-	-
Cash flows from investing activities	**-**	**-**
Repayment of loans and borrowings	- 580	-
Proceeds from loans and borrowings	-	31
Dividend paid	-	-
Cash flows from financing activities	**- 580**	**31**
Net cash flow for the year	483	- 381
Net capital resources, beginning of year	20	401
Net capital resources, end of year	**503**	**20**
Net capital resources, end of year, are composed as follows:		
Cash and cash equivalents	503	20
Net capital resources, end of year	**503**	**20**

	Parent Company 2021 DKK'000	Parent Company 2020 DKK'000

1. Going concern

We refer to note 1 of the consolidated financial statement.

2. Fees to auditors appointed at the annual general meeting

Audit services	75	100
Other services	55	200
	130	**300**

3. Depreciation and amortisation

Depreciation, other fixtures, tools, and equipment	22	38
Gains/losses arising from disposal	-	-
	22	**38**

4. Financial income

Interest income from group enterprises	1,033	898
Interest income from financial assets	**1,033**	**898**
Guarantee commission from group enterprises	366	288
Impairment reversal, receivables from group enterprises	4,392	880
Exchange rate gains	3	138
	5,794	**2,204**

5. Financial expenses

Interest expenses	71	236
Financial expenses, bond debt	1,291	750
Interest expenses to group enterprises	81	102
Bank charges etc.	42	40
Interest expenses from financial liabilities	**1,485**	**1,128**
Impairment losses, receivables from group enterprises	142	-
Exchange rate losses	732	-
	2,359	**1,128**

	Parent Company 2021 DKK'000	Parent Company 2020 DKK'000
6. Tax on profit/loss for the year		
Current tax for the year	-	166
Adjustment to taxes, prior years	- 157	-
Adjustment to deferred tax	-	10
	- 157	**176**

Current tax for the financial year is computed based on a tax rate of 22.0 % (2020: 22.0 %)

Tax on profit/loss for the year is made up as follows:		
Computed 22.0 % tax on profit/loss for the year before tax	- 745	87
Adjustment to taxes, prior years	- 157	-
Tax effect of:		
Adjustment of unrecognized tax asset	745	-
Non-deductible expenses	-	89
	- 157	**176**
Effective tax rate	negative	44.3 %

7. Rights acquired assets		
Cost at 1 January	145	145
Cost at 31 December	**145**	**145**
Depreciation at 1 January	145	145
Depreciation at 31 December	**145**	**145**
Carrying amount at 31 December	**-**	**-**

8. Other fixtures and fittings, tools, and equipment		
Cost at 1 January	1,929	1,929
Cost at 31 December	**1,929**	**1,929**
Depreciation at 1 January	167	129
Depreciation for the year	22	38
Depreciation at 31 December	**189**	**167**
Carrying amount at 31 December	**1,740**	**1,762**

	Parent Company 2021 DKK'000	Parent Company 2020 DKK'000
9. Equity interest in subsidiaries		
Cost at 1 January	143,348	143,348
Cost at 31 December	**143,348**	**143,348**
Value adjustment at 1 January	- 113,683	- 113,411
Value adjustment for the year	- 6,762	- 272
Value adjustment at 31 December	**- 120,445**	**- 113,683**
Carrying amount at 31 December	**22,903**	**29,665**

Group enterprises are specified in note 24 to the consolidated financial statements.

10. Share capital

The share capital consists of 2,000 shares with a nominal value of DKK 1,000 each. The shares have been paid in full. The shares have not been divided into classes and no special rights have been attached to the shares. The share capital of the parent company has not changed during the last five years.

11. Bond debt

The company issued unlisted corporate bonds on 1 July 2016 with a principal amount of DKK 15m. The bonds carry interest at 5 percent and are redeemed at par after five years from the date of issue. As from June 2021 the bond terms are changed. The final redemption date is 30 June 2024. Annual interest payment is 2.5 percent, and the accrued remaining interest payment is due on redemption date in June 2024.

12. Deferred tax		
Deferred tax at 1 January	45	55
Deferred tax on profit/loss for the year	-	- 10
Deferred tax at 31 December	**45**	**45**
Specification of deferred tax:		
Other fixtures and fittings	36	36
Rights acquired	9	9
	45	**45**
Deferred tax is recognized as follows in the balance sheet:		
Deferred tax (asset)	45	45
Deferred tax (liability)	-	-
Deferred tax at 31 December	**45**	**45**

13. Other payables

Other payables include payroll taxes, holiday pay, payable VAT, and other costs payable.

14. Financial risks

The Parent Company'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 currency exposure of the company at 31 December 2021 is specified below.

2021 (DKK'000)	Cash and cash equivalents	Receivables	Bank debt	Bond debt	Other liabilities	Net position
EUR	-	-	-2,666	-	-	-2,666
SEK	-	-	-	-	-	-
31 December 2021	**-**	**-**	**-2,666**	**-**	**-**	**-2,666**
2020 (DKK'000)						
EUR	-	-	-3,246	-	-	-3,246
SEK	2	875	-	-	-	877
31 December 2020	**2**	**875**	**-3,246**	**-**	**-**	**-2,369**

For further information on financial risks, we refer to note 20 in the consolidated financial statements.

15. Contingencies etc.

Contingent liabilities

The Parent Company participates in a national joint taxation arrangement serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent Company is therefore liable for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties, and dividends for the jointly taxed companies.

Pledges

The parent company has issued a letter of support to the subsidiary Ejendomsselskabet Blixtz ApS. This is not expected to have any impact on comprehensive income or equity. The Parent Company has pledged equity interests in Lauritz.com Group A/S and Ejendomsselskabet Blixtz ApS as security for the bond debt with a carrying amount of DKK 28.8m (2020: 28.8). The Swiss bank Van Lanschot has a pledge in the Lauritz.com Group A/S-shares for bank debt with a carrying amount of DKK 2.6m (2020: 3.2m).

16. Related parties

A loan has been granted to Ejendomsselskabet Blixtz ApS amounting to DKK 76,1m. The loan carries a market-based interest amounting to an interest payment of DKK 0,8m in 2021 (2020: DKK 0,8m).

As security for the loan Ejendomsselskabet Blixtz ApS has pledged all shares of Vignelaure S.A.S.

17. Events after the balance sheet date

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

18. Approval of annual report for publication

We refer to note 27 in the consolidated financial statements.

Martin Ødum Madsen
Revisor
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