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# ***RLG AT 19 ApS***

Sankt Annæ Plads 13 th, DK-1250 København K

## **Annual Report for 1 April 2018 - 31 March 2019**

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CVR No 38 82 85 09

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
3 /6 2019

Henrik Knudsen  
Chairman of the General  
Meeting



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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of RLG AT 19 ApS for the financial year 1 April 2018 - 31 March 2019.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2019 of the Company and of the results of the Company operations for 2018/19.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

København, 3 June 2019

### **Executive Board**

Jean-Marc Vaury  
Executive Officer

Pierre Raynal  
Executive Officer

Didier Battiston  
Executive Officer

Etienne Pax  
Executive Officer

# Independent Auditor's Report

To the Shareholders of RLG AT 19 ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2019 and of the results of the Company's operations for the financial year 1 April 2018 - 31 March 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of RLG AT 19 ApS for the financial year 1 April 2018 - 31 March 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## **Management's responsibilities for the Financial Statements**

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

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

## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Hellerup, 3 June 2019

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad

statsautoriseret revisor

mne32198

Martin Enderberg Lassen

statsautoriseret revisor

mne40044

## **Company Information**

### **The Company**

RLG AT 19 ApS  
Sankt Annæ Plads 13 th  
DK-1250 København K

CVR No: 38 82 85 09  
Financial period: 1 April - 31 March  
Municipality of reg. office: København

### **Executive Board**

Jean-Marc Vaury  
Pierre Raynal  
Didier Battiston  
Etienne Pax

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# **Management's Review**

## **Key activities**

The main activity of the Company is investment and development of property.

## **Development in the year**

The income statement of the Company for 2018/19 shows a loss of DKK 6,398,593, and at 31 March 2019 the balance sheet of the Company shows equity of DKK 107,902,132.

The property has been empty during the year undertaking refurbishment in order to be ready for letting. The ground floor unit has been let for retail purposes with a lease agreement starting 1 October 2019 and the rest of the property will be let out as offices.

## **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 April - 31 March

|   | Note | 2018/19<br>DKK    | 2017/18<br>DKK    |
|---|------|-------------------|-------------------|
| <b>Gross profit</b>                                     |      | <b>-2.870.678</b> | <b>1.538.496</b>  |
| Depreciation of land and buildings                      |      | -3.650.771        | -2.128.270        |
| <b>Profit/loss before financial income and expenses</b> |      | <b>-6.521.449</b> | <b>-589.774</b>   |
| Financial income  |      | 0                 | 234               |
| Financial expenses                                      | 1    | -1.675.463        | -1.052.504        |
| <b>Profit/loss before tax</b>                           |      | <b>-8.196.912</b> | <b>-1.642.044</b> |
| Tax on profit/loss for the year                         | 2    | 1.798.319         | 352.770           |
| <b>Net profit/loss for the year</b>                     |      | <b>-6.398.593</b> | <b>-1.289.274</b> |

## Distribution of profit

### Proposed distribution of profit

|                   |  |                   |                   |
|-------------------|--|-------------------|-------------------|
| Retained earnings |  | -6.398.593        | -1.289.274        |
|                   |  | <b>-6.398.593</b> | <b>-1.289.274</b> |

# Balance Sheet 31 March

## Assets

|                                      | Note | 2018/19<br>DKK     | 2017/18<br>DKK     |
|--------------------------------------|------|--------------------|--------------------|
| Land and buildings                   |      | 230.665.079        | 228.635.114        |
| <b>Property, plant and equipment</b> | 3    | <b>230.665.079</b> | <b>228.635.114</b> |
| <b>Fixed assets</b>                  |      | <b>230.665.079</b> | <b>228.635.114</b> |
| Other receivables                    |      | 664.558            | 1.074.314          |
| Deferred tax asset                   |      | 2.151.089          | 352.770            |
| Prepayments                          |      | 231.093            | 226.331            |
| <b>Receivables</b>                   |      | <b>3.046.740</b>   | <b>1.653.415</b>   |
| <b>Cash at bank and in hand</b>      |      | <b>22.721.443</b>  | <b>906.275</b>     |
| <b>Currents assets</b>               |      | <b>25.768.183</b>  | <b>2.559.690</b>   |
| <b>Assets</b>                        |      | <b>256.433.262</b> | <b>231.194.804</b> |

# Balance Sheet 31 March

## Liabilities and equity

|  | Note     | 2018/19<br>DKK     | 2017/18<br>DKK     |
|--|----------|--------------------|--------------------|
| Share capital  |          | 53.000             | 51.000             |
| Retained earnings  |          | 107.849.132        | 83.109.726         |
| <b>Equity</b>  | <b>4</b> | <b>107.902.132</b> | <b>83.160.726</b>  |
| Mortgage loans   |          | 115.136.939        | 117.687.974        |
| Payables to group enterprises                                  |          | 29.616.877         | 28.717.476         |
| <b>Long-term debt</b>  | <b>5</b> | <b>144.753.816</b> | <b>146.405.450</b> |
| Mortgage loans   | 5        | 2.050.690          | 1.486.555          |
| Trade payables   |          | 1.726.624          | 120.879            |
| Other payables   |          | 0                  | 21.194             |
| <b>Short-term debt</b>   |          | <b>3.777.314</b>   | <b>1.628.628</b>   |
| <b>Debt</b>  |          | <b>148.531.130</b> | <b>148.034.078</b> |
| <b>Liabilities and equity</b>                                  |          | <b>256.433.262</b> | <b>231.194.804</b> |
| Contingent assets, liabilities and other financial obligations | 6        |                    |                    |
| Related parties  | 7        |                    |                    |
| Accounting Policies  | 8        |                    |                    |

# Notes to the Financial Statements

|  | 2018/19<br>DKK    | 2017/18<br>DKK               |
|--|-------------------|------------------------------|
| <b>1 Financial expenses</b>                    |                   |                              |
| Interest paid to group enterprises             | 857.769           | 504.452                      |
| Other financial expenses                       | 766.066           | 445.024                      |
| Exchange loss                                  | 51.628            | 103.028                      |
|  | <b>1.675.463</b>  | <b>1.052.504</b>             |
| <b>2 Tax on profit/loss for the year</b>       |                   |                              |
| Current tax for the year                       | 0                 | 0                            |
| Deferred tax for the year                      | -1.798.319        | -352.770                     |
|  | <b>-1.798.319</b> | <b>-352.770</b>              |
| <b>3 Property, plant and equipment</b>         |                   |                              |
|  |                   | Land and<br>buildings<br>DKK |
| Cost at 1 April                                |                   | 230.763.384                  |
| Additions for the year                         |                   | 5.680.736                    |
| Cost at 31 March                               |                   | 236.444.120                  |
| Impairment losses and depreciation at 1 April  |                   | 2.128.270                    |
| Depreciation for the year                      |                   | 3.650.771                    |
| Impairment losses and depreciation at 31 March |                   | 5.779.041                    |
| <b>Carrying amount at 31 March</b>             |                   | <b>230.665.079</b>           |

## Notes to the Financial Statements

### 4 Equity

|                                     | Share capital | Share premium<br>account | Retained<br>earnings | Total              |
|-------------------------------------|---------------|--------------------------|----------------------|--------------------|
|                                     | DKK           | DKK                      | DKK                  | DKK                |
| Equity at 1 April                   | 51.000        | 0                        | 83.109.726           | 83.160.726         |
| Cash capital increase               | 2.000         | 31.137.999               | 0                    | 31.139.999         |
| Net profit/loss for the year        | 0             | 0                        | -6.398.593           | -6.398.593         |
| Transfer from share premium account | 0             | -31.137.999              | 31.137.999           | 0                  |
| <b>Equity at 31 March</b>           | <b>53.000</b> | <b>0</b>                 | <b>107.849.132</b>   | <b>107.902.132</b> |

# Notes to the Financial Statements

## 5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

|                                      | 2018/19<br>DKK     | 2017/18<br>DKK     |
|--------------------------------------|--------------------|--------------------|
| <b>Mortgage loans</b>                |                    |                    |
| After 5 years                        | 102.221.998        | 103.913.480        |
| Between 1 and 5 years                | 12.914.941         | 13.774.494         |
| Long-term part                       | 115.136.939        | 117.687.974        |
| Within 1 year                        | 2.050.690          | 1.486.555          |
|                                      | <b>117.187.629</b> | <b>119.174.529</b> |
| <b>Payables to group enterprises</b> |                    |                    |
| Between 1 and 5 years                | 29.616.877         | 28.717.476         |
| Long-term part                       | 29.616.877         | 28.717.476         |
| Within 1 year                        | 0                  | 0                  |
|                                      | <b>29.616.877</b>  | <b>28.717.476</b>  |

## 6 Contingent assets, liabilities and other financial obligations

### Charges and security

The following assets have been placed as security with mortgage credit institutes:

|   |             |             |
|---|-------------|-------------|
| Investment properties with carrying amount of | 230.665.078 | 228.639.114 |
|---|-------------|-------------|

### Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of RLG Property Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 7 Related parties

Basis

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**Consolidated Financial Statements**

The company is included in the consolidated report for the parent company

| Name                              | Place of registered office                              |
|-----------------------------------|---|
| Compagnie Financière Richemont SA | 50 chemin de la Chênaie<br>1293 Bellevue<br>Switzerland |

# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of RLG AT 19 ApS for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2018/19 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## Income Statement

### Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of investment property.



# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Property

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

|           |               |
|-----------|---------------|
| Buildings | 30 - 60 years |
|-----------|---------------|

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

### Impairment of fixed assets

The carrying amounts of property are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.