

RLG AT 19 ApS

c/o Capital Investment A/S, Sankt Annæ Plads 13, 2. th., 1250 København K.

Company reg. no. 38 82 85 09

Annual report

1 April 2019 - 31 March 2020

The annual report was submitted and approved by the general meeting on the 26 June 2020.



Henrik Knudsen
Chairman of the meeting

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Management's report

Today, the executive board has presented the annual report of RLG AT 19 ApS for the financial year 1 April 2019 - 31 March 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

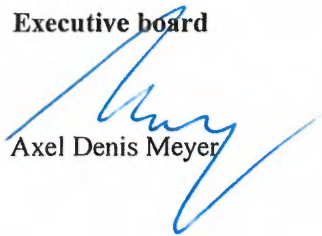
We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 March 2020 and of the company's results of activities in the financial year 1 April 2019 – 31 March 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 26 June 2020


Executive board



Axel Denis Meyer



Cedric Charles Marcel Bossert



Pierre Raynal

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 2020 and of the results of the Company's operations for the financial year 1 April 2019 - 31 March 2020 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 2019 - 31 March 2020, 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

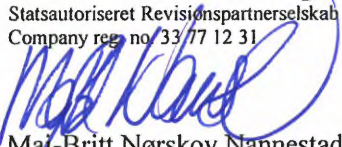
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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, 26 June 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31


Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198


Martin Enderberg Lassen
State Authorised Public Accountant
mne40044

Company information

The company

RLG AT 19 ApS
c/o Capital Investment A/S
Sankt Annæ Plads 13, 2. th.
1250 København K.

Company reg. no. 38 82 85 09
Financial year: 1 April - 31 March

Executive board

Axel Denis Meyer
Cedric Charles Marcel Bossert
Pierre Raynal

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management commentary

Key activities

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

Development in activities and financial matters

The income statement of the Company for 2019/2020 shows a loss of DKK 3,595,605, and at 31 March 2020 the balance sheet of the company shows equity of DKK 127,436,527.

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Accounting policies

The annual report for RLG AT 19 ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement

Revenue is 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.

Financial income and expenses

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

Accounting policies

Tax on profit or 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 of their taxable incomes.

Statement of financial position

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 on the assets, which are:

Buildings	30 -60 years
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 14,100 are expensed in the year of acquisition.

Impairment of fixed assets

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

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

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.

Accounting policies

Deferred tax assets and liabilities

Deferred 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.

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 costs; the difference between the proceeds and the nominal value is recognised as an interest expenses in the income statement over the loan period.

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

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Income statement 1 April - 31 March

All amounts in DKK.

Note	2019/20	2018/19
Gross profit	1.033.442	-2.870.678
Depreciation of land and buildings	-4.006.941	-3.650.771
Profit/loss before financial income and expenses	-2.973.499	-6.521.449
Other financial income	20.056	0
2 Financial expenses	-1.656.307	-1.675.463
Profit/loss before tax	-4.609.750	-8.196.912
3 Tax on profit/loss for the year	1.014.145	1.798.319
Net profit or loss for the year	-3.595.605	-6.398.593
Proposed appropriation of net profit:		
Allocated from retained earnings	-3.595.605	-6.398.593
Total allocations and transfers	-3.595.605	-6.398.593

Statement of financial position at 31 March

All amounts in DKK.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Fixed assets			
4	Land and buildings	264.343.780	230.665.079
	Total property, plant, and equipment	264.343.780	230.665.079
	Total fixed assets	264.343.780	230.665.079
Current assets			
	Deferred tax asset	3.165.234	2.151.089
	Other receivables	0	664.558
	Prepayments	1.721.587	231.093
	Total receivables	4.886.821	3.046.740
	Cash at bank and in hand	4.658.140	22.721.443
	Total current assets	9.544.961	25.768.183
	Total assets	273.888.741	256.433.262

Statement of financial position at 31 March

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
	Share capital	54.000	53.000
	Retained earnings	127.382.527	107.849.132
	Total equity	127.436.527	107.902.132
Liabilities other than provisions			
5	Mortgage loans	113.507.651	115.136.939
6	Payables to group enterprises	0	29.616.877
	Total long term liabilities other than provisions	113.507.651	144.753.816
	Mortgage loans	1.700.246	2.050.690
	Trade payables	32.836	1.726.624
	Payables to group enterprises	30.458.537	0
	Other payables	752.944	0
	Total short term liabilities other than provisions	32.944.563	3.777.314
	Total liabilities other than provisions	146.452.214	148.531.130
	Total equity and liabilities	273.888.741	256.433.262
1	Subsequent events		
7	Contingencies assets, liabilities and other financial obligations		
8	Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 April 2018	51.000	0	83.109.726	83.160.726
Cash capital increase	2.000	31.137.999	0	31.139.999
Retained earnings for the year	0	0	-6.398.593	-6.398.593
Transferred to retained earnings	0	-31.137.999	31.137.999	0
Equity 1 April 2019	53.000	0	107.849.132	107.902.132
Cash capital increase	1.000	23.129.000	0	23.130.000
Retained earnings for the year	0	0	-3.595.605	-3.595.605
Transferred to retained earnings	0	-23.129.000	23.129.000	0
	54.000	0	127.382.527	127.436.527

Notes

All amounts in DKK.

1. Subsequent events

In the beginning of 2020 the Covid-19 outbreak has had significant impact on the world economy. The Covid-19 outbreak can potentially impact future cash flows and property valuations for real estate companies. The company realised operations as planned in Q1 2020.

The lessees in the company's (subsidiary's) investment property could also be impacted. However, it is expected that the lessees will continue to pay rent in accordance with the lease agreements. However, at this stage and given the uncertainty surrounding the disease, possible financial impact on the reported financial statements cannot be estimated and is therefore not included therein.

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

	<u>2019/20</u>	<u>2018/19</u>
2. Financial expenses		
Other financial expenses	723.632	766.066
Interest paid to group enterprises	861.716	857.769
Exchange loss	0	51.628
Borrowing costs	70.959	0
	<u>1.656.307</u>	<u>1.675.463</u>
3. Tax on profit/loss for the year		
Deferred tax for the year	<u>-1.014.145</u>	<u>-1.798.319</u>
	<u>-1.014.145</u>	<u>-1.798.319</u>

Notes

All amounts in DKK.

	31/3 2020	31/3 2019
4. Land and buildings		
Cost 1 April 2019	236.444.120	230.763.384
Additions during the year	37.685.642	5.680.736
Cost 31 March 2020	274.129.762	236.444.120
Depreciation and writedown 1 April 2019	-5.779.041	-2.128.270
Depreciation and writedown for the year	-4.006.941	-3.650.771
Depreciation and writedown 31 March 2020	-9.785.982	-5.779.041
Carrying amount, 31 March 2020	264.343.780	230.665.079
5. Mortgage loans		
Total mortgage loans	115.207.897	117.187.629
Share of amount due within 1 year	-1.700.246	-2.050.690
	113.507.651	115.136.939
Share of liabilities due after 5 years	97.941.741	102.221.998
6. Payables to group enterprises		
Total payables to group enterprises	30.458.537	29.616.877
Share of amount due within 1 year	-30.458.537	0
	0	29.616.877
Share of liabilities due after 5 years	0	0

Notes

All amounts in DKK.

7. Contingencies 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	264.343.780	230.665.079
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Contingent liabilities

The Group companies are jointly and severally liable for tax on the jointly taxed income 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.

8. Related parties

Consolidated financial statements

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

Compagnie Financière Richemont SA
50 Chemin de la Chénaie
1293 Bellevue
Switzerland