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GERMAN REAL ESTATE CAPITAL S.A.

RCS Luxembourg B 219.189

FINANCIAL YEAR AS AT

31ST DECEMBER 2020

**ANNUAL ACCOUNTS AND
REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ**



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To the Sole Shareholder of
German Real Estate Capital S.A.
127, rue de Mühlenbach
L - 2168 LUXEMBOURG

OPINION

We have audited the annual accounts of **GERMAN REAL ESTATE CAPITAL S.A.** (the “Company”), which comprise the balance sheet as at **December 31, 2020**, and the profit and loss account for the year then ended, and the notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the financial position of the Company as at **December 31, 2020**, and of the results of its operations for the year then ended, in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

BASIS FOR OPINION

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “*Commission de Surveillance du Secteur Financier*” (CSSF). Our responsibilities under those Law and standards are further described in the « *Responsibilities of “Réviseur d’Entreprises Agréé” for the Audit of the Annual Accounts* » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the Annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTERS

Without qualifying our opinion, we draw attention to the Note 5 in the annual accounts which describes that on December 31, 2020 the accumulated losses exceed 50% of the share capital. Accordingly, in conformity with article 480-2 of the amended law of August 10, 1915 on commercial companies, the Sole Shareholder is required to convene a General Shareholders’ Meeting which must decide on the continuity of activities of the Company. The aforementioned annual accounts have been prepared on a going concern basis on the assumption that the Sole Shareholders will ensure that adequate financial resources remain available for the Company to continue its operations or that future results will offset the current losses carried forward. They do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities should the Company no longer be able to continue its operations.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE ANNUAL ACCOUNTS

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the Annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the Annual accounts, the Board of Directors 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 unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE ANNUAL ACCOUNTS

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 the Board of Directors;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting 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 report of "Réviseur d'Entreprises Agréé" to the related disclosures in the annual accounts 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 report of "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Company to cease to continue as a going concern;



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→ Evaluate the overall presentation, structure and content of the Annual accounts, including the disclosures, and whether the Annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Strassen, July, 12 2021

For **Horus Audit & Associés S.à r.l.**
Cabinet de Révision Agréé
Represented by



Sabrina SIMON
Réviseur d'Entreprises Agréée

Annual Accounts Helpdesk :

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RCSL Nr. : B219189

Matricule : 2017.2210.849

ABRIDGED BALANCE SHEETFinancial year from ⁰¹ 01/01/2020 to ⁰² 31/12/2020 (in ⁰³ EUR)**GERMAN REAL ESTATE CAPITAL S.A.**

127 rue de Mühlenbach,

L-2168 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	22.500,00	22.500,00
I. Subscribed capital not called	1103	0,00	0,00
II. Subscribed capital called but unpaid	1105	22.500,00	22.500,00
B. Formation expenses	1107 3	250.410,82	375.616,23
C. Fixed assets	1109	0,00	0,00
I. Intangible assets	1111	0,00	0,00
II. Tangible assets	1125	0,00	0,00
III. Financial assets	1135	0,00	0,00
D. Current assets	1151	18.737.588,66	18.128.025,61
I. Stocks	1153	0,00	0,00
II. Debtors	1163	301.043,51	296.763,51
a) becoming due and payable within one year	1203	4.815,00	535,00
b) becoming due and payable after more than one year	1205	296.228,51	296.228,51
III. Investments	1189 4	18.215.270,37	16.746.222,06
IV. Cash at bank and in hand	1197	221.274,78	1.085.040,04
E. Prepayments	1199	0,00	0,00
TOTAL (ASSETS)	201	19.010.499,48	18.526.141,84

The notes in the annex form an integral part of the annual accounts

CAPITAL, RESERVES AND LIABILITIES
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	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301	301	302
		-917.771,73	-322.728,11
I. Subscribed capital	1303 5	303	304
		30.000,00	30.000,00
II. Share premium account	1305	305	306
		0,00	0,00
III. Revaluation reserve	1307	307	308
		0,00	0,00
IV. Reserves	1309	309	310
		0,00	0,00
V. Profit or loss brought forward	1319	319	320
		-352.728,11	-128.801,34
VI. Profit or loss for the financial year	1321	321	322
		-595.043,62	-223.926,77
VII. Interim dividends	1323	323	324
		0,00	0,00
VIII. Capital investment subsidies	1325	325	326
		0,00	0,00
B. Provisions	1331	331	332
		0,00	0,00
C. Creditors	1435 7	435	436
		19.928.271,21	18.848.869,95
a) becoming due and payable within one year	1453	453	454
		45.418,55	58.319,47
b) becoming due and payable after more than one year	1455	455	456
		19.882.852,66	18.790.550,48
D. Deferred income	1403	403	404
		0,00	0,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	406
		19.010.499,48	18.526.141,84

The notes in the annex form an integral part of the annual accounts

Annual Accounts Helpdesk :

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 Email : centralebilans@statec.etat.lu

RCSL Nr. : B219189

Matricule : 2017.2210.849

PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/01/2020 to ⁰² 31/12/2020 (in ⁰³ EUR)**GERMAN REAL ESTATE CAPITAL S.A.**

127 rue de Mühlenbach,

L-2168 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701	701 0,00	702 0,00
2. Variation in stocks of finished goods and in work in progress	1703	703 0,00	704 0,00
3. Work performed by the undertaking for its own purposes and capitalised	1705	705 0,00	706 0,00
4. Other operating income	1713	713 0,00	714 0,00
5. Raw materials and consumables and other external expenses	1671 8	671 -380.715,78	672 -214.787,17
a) Raw materials and consumables	1601	601 0,00	602 0,00
b) Other external expenses	1603	603 -380.715,78	604 -214.787,17
6. Staff costs	1605 9	605 0,00	606 0,00
a) Wages and salaries	1607	607 0,00	608 0,00
b) Social security costs	1609	609 0,00	610 0,00
i) relating to pensions	1653	653 0,00	654 0,00
ii) other social security costs	1655	655 0,00	656 0,00
c) Other staff costs	1613	613 0,00	614 0,00
7. Value adjustments	1657	657 -125.205,41	658 -125.205,41
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659 -125.205,41	660 -125.205,41
b) in respect of current assets	1661	661 0,00	662 0,00
8. Other operating expenses	1621	621 -12.394,47	622 -16.442,31

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	0,00	0,00
a) derived from affiliated undertakings	1717	0,00	0,00
b) other income from participating interests	1719	0,00	0,00
10. Income from other investments and loans forming part of the fixed assets	1721	681.698,09	689.793,12
a) derived from affiliated undertakings	1723	0,00	0,00
b) other income not included under a)	1725	681.698,09	689.793,12
11. Other interest receivable and similar income	1727	0,00	0,00
a) derived from affiliated undertakings	1729	0,00	0,00
b) other interest and similar income	1731	0,00	0,00
12. Share of profit or loss of undertakings accounted for under the equity method	1663	0,00	0,00
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 4	-144.522,94	0,00
14. Interest payable and similar expenses	1627	-609.088,11	-553.005,00
a) concerning affiliated undertakings	1629	0,00	0,00
b) other interest and similar expenses	1631	-609.088,11	-553.005,00
15. Tax on profit or loss	1635	0,00	0,00
16. Profit or loss after taxation	1667	-590.228,62	-219.646,77
17. Other taxes not shown under items 1 to 16	1637	-4.815,00	-4.280,00
18. Profit or loss for the financial year	1669	-595.043,62	-223.926,77

Notes to the annual accounts as at 31 December 2020

(Amounts in EUR)

1. General information

GERMAN REAL ESTATE CAPITAL SA (previously KAIRA SA) (the “Company”) is a Luxembourg securitisation company (société de titrisation) within the meaning of the Luxembourg act dated 22 March 2004 relating to securitisation, incorporated on 30.10.2017 for an unlimited period time. On December 1, 2017, the corporate objects of the company have been amended, so that the company is no longer a securitization company but a “Société Anonyme” governed by the law of 10 August 1915 on commercial companies.

The Company has its registered office at 127, rue de Mühlenbach, L2168 Luxembourg.

The Company may proceed to (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings and exchangeable or convertible securities), structured products relating to commodities or assets (including debt or equity securities of any kind), receivables, claims or loans or other credit facilities (and the agreements relating thereto) as well as all other types of assets.

The Company may, for as long as it is necessary to facilitate the performance of its corporate objects, borrow in any form and enter into any type of loan agreement. It may issue notes, bonds (including exchangeable or convertible securities and securities linked to an index or a basket of indices or shares), debentures, certificates, shares, beneficiary shares or parts, warrants and any kind of debt or equity securities, including under one or more issue programmes. The Company may lend funds including the proceeds of any borrowings and/or issues of securities to its subsidiaries or affiliated companies or to any other company.

2. Summary of significant accounting policies

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation rules are, besides the ones laid down by the Law determined and applied by the Board of Director

Notes to the annual accounts as at 31 December 2020

(Amounts in EUR)

2.2 Formation expenses

The Fund's formation expenses are depreciated on a straight-line basis, over a period of five years from the date of the formation of the company.

2.3 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4 Foreign currency translation

Transaction expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of their value at the historic exchange rate or their value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains are recorded in the profit and loss account at the moment of their realisation.

2.5 Creditors

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown in the profit and loss account when the debt is issued.

2.6 Provisions for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years are recorded under the caption "Tax debts". The advance payments are shown in the assets of the balance sheet under the "Other receivables" item.

2.7 Transferable securities

Transferable securities are valued at the lower of purchase price, including expenses incidental thereto and calculated on the basis of market value, expressed in the currency in which the annual accounts are prepared.

2.8 Interest incomes and charges

Interest incomes and charges are recorded on an accrual basis.

Notes to the annual accounts as at 31 December 2020

(Amounts in EUR)

3. Formation expenses

The formation expenses, as at the 31/12/2020, are summarized as follows:

Formation expenses	As at 31.12.2020 (in EUR)	As at 31.12.2019 (in EUR)
Cost of the formation expenses at the beginning of the year	626.027,05	626.027,05
Additions during the year	0,00	0,00
Total cost of the formation expenses at the end of the year	626.027,05	626.027,05
Value adjustments, at the beginning of the year	250.410,82	125.205,41
Reversals of value adjustments during the year	-	-
Depreciation of the year	125.205,41	125.205,41
Cumulated value adjustments at the end of the year	375.616,23	250.410,82
NET FORMATION EXPENSES AT THE END OF THE YEAR	250.410,82	375.616,23

4. Investments

As at 31 December 2020 the company has the following investments:

Reference	Ownership	Amount		Interests	
		2020	2019	2020	2019
GRE Immo GmbH – Part. Rights	4%	15.732.001,49	15.732.001,49	438.432,83	498.327,75
GRE Immo GmbH – Part. Rights	5%	500.000,00	500.000,00	17.418,03	15.892,82
GRE Immo GmbH – Part. Rights	5%	600.000,00	0,00	13.524,58	/
GRE Immo GmbH – Part. Rights	5%	900.000,00	0,00	13.893,44	/
Total		17.732.001,49	16.232.001,49	483.268,88	514.220,57

Notes to the annual accounts as at 31 December 2020

(Amounts in EUR)

5. Subscribed capital

The subscribed capital, amounting to EUR 30 000,00 is represented by 30 000 ordinary redeemable shares with a nominal par value of EUR 1, paid up at 25%.

As at December 31, 2020 the Company has incurred accumulated losses exceeding its share capital. The Company is dependent upon its sole shareholder for the continuation of the business as a going concern. The sole shareholder intends to continue to financially support the Company for the foreseeable future. In that context, the Board of Directors will propose the continuation of the operations of the Company. As a consequence, the annual accounts have been prepared on a going concern basis.

6. Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital.

This reserve may not be distributed.

As at 31 December 2020, the legal reserve is amounting to EUR 0,00.

7. Creditors

	As at 31.12.2020 (in EUR)	As at 31.12.2019 (in EUR)
Creditors - Within one year		
Suppliers	22.389,32	34.700,00
Suppliers – invoices not yet received	10.250,00	10.250,00
Loan interest Sachwert Capital	800,00	800,00
Net Wealth Tax	4.815,00	4.815,00
VAT	7.164,23	7.754,47
Creditors - After one year		
Bonds 3%	19.470.820,00	18.433.540,00
Interest on Bonds 3%	412.032,66	357.010,48
Total	19.928.271,21	18.848.869,95

Notes to the annual accounts as at 31 December 2020

(Amounts in EUR)

8. Other external expenses

	From 01.01.2020 to 31.12.2020	From 01.01.2019 to 31.12.2019
Accounting and auditor fees	53.484,54	37.959,17
Legal fees	78.730,95	47.785,49
Bank fees	5.882,61	3.492,85
Other fees	242.477,68	125.409,66
Subscription Chamber of Commerce	140,00	140,00
Total	380.715,78	214.787,17

9. Staff

The Company did not have any employees during the financial year ended 31st December 2020.

10. Taxation

The Company is liable to all taxes applicable to commercial companies in Luxembourg.

11. Subsequent events

COVID-19 is not expected to have a significant impact on the entity. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations.

12. Emoluments, advances and loans granted

There is no emolument, advance and loan granted to the members of the management during the current year.

13. Off-balance sheet commitments

There is no off-balance sheet commitment during the current year.