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GERMAN REAL ESTATE CAPITAL S.A.

RCS Luxembourg B 219.189

FINANCIAL YEAR AS AT

31ST DECEMBER 2022

**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, 2022**, 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, 2022**, 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 the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « *Responsibilities of “Réviseur d’Entreprises Agréé” for the Audit of the Financial Statements* » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, 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.

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EMPHASIS OF MATTERS

Without qualifying our opinion, we draw attention to the Note 5 in the annual accounts which describes that on December 31, 2022 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;
- 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.



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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.

Bertrange, February 29, 2024

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



Sabrina SIMON
Réviseur d'Entreprises Agréée

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No. RCSL : B219189

Matricule : 2017.2210.849

BILAN ABRÉGÉ

Exercice du ⁰¹ 01/01/2022 au ⁰³ 31/12/2022 (en ⁰³ EUR)

GERMAN REAL ESTATE CAPITAL S.A.

127 rue de Mühlenbach

L-2168 Luxembourg

ACTIF

	Référence(s)	Exercice courant	Exercice précédent
A. Capital souscrit non versé	1101	22.500,00	22.500,00
I. Capital souscrit non appelé	1103	0,00	0,00
II. Capital souscrit appelé et non versé	1105	22.500,00	22.500,00
B. Frais d'établissement	1107	0,00	125.205,41
C. Actif immobilisé	1109	0,00	0,00
I. Immobilisations incorporelles	1111	0,00	0,00
II. Immobilisations corporelles	1125	0,00	0,00
III. Immobilisations financières	1135	0,00	0,00
D. Actif circulant	1151	18.994.796,36	19.051.593,94
I. Stocks	1153	0,00	0,00
II. Créances	1163	339.485,56	304.596,49
a) dont la durée résiduelle est inférieure ou égale à un an	1203	44.057,05	8.367,98
b) dont la durée résiduelle est supérieure à un an	1205	295.428,51	296.228,51
III. Valeurs mobilières	1189	18.630.353,41	18.646.977,95
IV. Avoirs en banques, avoirs en compte de chèques postaux, chèques et encaisse	1197	24.957,39	100.019,50
E. Comptes de régularisation	1199	0,00	0,00
TOTAL DU BILAN (ACTIF)	201	19.017.296,36	19.199.299,35

Les notes figurant en annexe font partie intégrante des comptes annuels

No. RCSL : B219189

Matricule : 2017.2210.849

CAPITAUX PROPRES ET PASSIF

	Référence(s)	Exercice courant	Exercice précédent
A. Capitaux propres	1301	-1.132.528,29	-967.355,43
I. Capital souscrit	1303	30.000,00	30.000,00
II. Primes d'émission	1305	0,00	0,00
III. Réserve de réévaluation	1307	0,00	0,00
IV. Réserves	1309	0,00	0,00
V. Résultats reportés	1319	-997.355,43	-947.771,73
VI. Résultat de l'exercice	1321	-165.172,86	-49.583,70
VII. Acomptes sur dividendes	1323	0,00	0,00
VIII. Subventions d'investissement en capital	1325	0,00	0,00
B. Provisions	1331	0,00	0,00
C. Dettes	1435	20.149.824,65	20.166.654,78
a) dont la durée résiduelle est inférieure ou égale à un an	1453	38.561,97	54.592,10
b) dont la durée résiduelle est supérieure à un an	1455	20.111.262,68	20.112.062,68
D. Comptes de régularisation	1403	0,00	0,00
TOTAL DU BILAN (CAPITAUX PROPRES ET PASSIF)	405	19.017.296,36	19.199.299,35

Les notes figurant en annexe font partie intégrante des comptes annuels

Helpdesk Comptes annuels :

Tél. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

No. RCSL : B219189

Matricule : 2017.2210.849

COMPTE DE PROFITS ET PERTES ABRÉGÉ

Exercice du ⁰¹ 01/01/2022 au ⁰² 31/12/2022 (en ⁰³ EUR)

GERMAN REAL ESTATE CAPITAL S.A.

127 rue de Mühlenbach

L-2168 Luxembourg

	Référence(s)	Exercice courant	Exercice précédent
1. à 5. Résultat brut	1651	-248.575,61	-265.145,81
6. Frais de personnel	1605	0,00	0,00
a) Salaires et traitements	1607	0,00	0,00
b) Charges sociales	1609	0,00	0,00
i) couvrant les pensions	1653	0,00	0,00
ii) autres charges sociales	1655	0,00	0,00
c) Autres frais de personnel	1613	0,00	0,00
7. Corrections de valeur	1657	-125.205,41	-125.205,41
a) sur frais d'établissement et sur immobilisations corporelles et incorporelles	1659	-125.205,41	-125.205,41
b) sur éléments de l'actif circulant	1661	0,00	0,00
8. Autres charges d'exploitation	1621	-19.952,30	-43.957,13

Les notes figurant en annexe font partie intégrante des comptes annuels

No. RCSL: B219189

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	Référence(s)	Exercice courant	Exercice précédent
9. Produits provenant de participations	1715	0,00	0,00
a) provenant d'entreprises liées	1717	0,00	0,00
b) provenant d'autres participations	1719	0,00	0,00
10. Produits provenant d'autres valeurs mobilières, d'autres titres et de créances de l'actif immobilisé	1721	824.280,06	987.430,74
a) provenant d'entreprises liées	1723	0,00	0,00
b) autres produits ne figurant pas sous a)	1725	824.280,06	987.430,74
11. Autres intérêts et autres produits financiers	1727	0,00	0,00
a) provenant d'entreprises liées	1729	0,00	0,00
b) autres intérêts et produits financiers	1731	0,00	0,00
12. Quote-part dans le résultat des entreprises mises en équivalence	1663	0,00	0,00
13. Corrections de valeur sur immobilisations financières et sur valeurs mobilières faisant partie de l'actif circulant	1665	0,00	-5.708,83
14. Intérêts et autres charges financières	1627	-590.904,60	-592.182,26
a) concernant des entreprises liées	1629	0,00	0,00
b) autres intérêts et charges financières	1631	-590.904,60	-592.182,26
15. Impôts sur le résultat	1635	0,00	0,00
16. Résultat après impôts sur le résultat	1667	-160.357,86	-44.768,70
17. Autres impôts ne figurant pas sous les postes 1. à 16.	1637	-4.815,00	-4.815,00
18. Résultat de l'exercice	1669	-165.172,86	-49.583,70

Notes to the annual accounts as at 31 December 2022

(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

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

Notes to the annual accounts as at 31 December 2022

(continued)

(Amounts in EUR)

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 2022

(continued)

(Amounts in EUR)

3. Formation expenses

The formation expenses, as at the 31/12/2022, are summarized as follows:

Formation expenses	As at 31.12.2022 (in EUR)	As at 31.12.2021 (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	500.821,64	375.616,23
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	626.027,05	500.821,64
Net formation expenses at the end of the year	0,00	125.205,41

4. Investments

As at 31 December 2022 the company has the following investments:

Reference	Ownership	Amount		Interests	
		2022	2021	2022	2021
GRE Immo GmbH – Part. Rights	4%	15.732.001,49	15.732.001,49	530.315,53	566.731,78
GRE Immo GmbH – Part. Rights	5%	500.000,00	500.000,00	21.375,54	21.477,68
GRE Immo GmbH – Part. Rights	5%	600.000,00	600.000,00	31.962,24	25.773,21
GRE Immo GmbH – Part. Rights	5%	900.000,00	900.000,00	47.943,35	38.659,82
GRE Immo GmbH – Part. Rights	6%	250.000,00	250.000,00	16.755,27	12.333,97
Total		17.982.001,49	17.982.001,49	648.351,92	664.976,46

Notes to the annual accounts as at 31 December 2022

(continued)

(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, 2022 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 2022, the legal reserve amounted to EUR 0,00.

7. Creditors

	As at 31.12.2022 (in EUR)	As at 31.12.2021 (in EUR)
Creditors - Within one year		
Suppliers	15.969,53	0,00
Suppliers – invoices not yet received	12.443,75	10.250,00
Loan interest Sachwert Capital	0,00	0,00
Net Wealth Tax	0,00	0,00
VAT	10.148,69	44.342,10
Creditors - After one year		
Loan interest Sachwert Capital	0,00	800,00
Bonds 3%	19.696.820,00	19.696.820,00
Interest on Bonds 3%	414.442,68	414.442,68
Total	20.149.824,65	20.166.654,78

Notes to the annual accounts as at 31 December 2022

(continued)

(Amounts in EUR)

8. Other external expenses

	From 01.01.2022 to 31.12.2022	From 01.01.2021 to 31.12.2021
Accounting and auditor fees	64.492,59	32.154,04
Legal fees	30.049,63	15.532,50
Bank fees	356,20	657,74
Other fees	153.537,19	216.661,53
Subscription Chamber of Commerce	140,00	140,00
Total	248.575,61	265.145,81

9. Staff

The Company did not have any employees during the financial year ended 31st December 2022.

10. Taxation

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

11. Subsequent events

There is no subsequent event to be disclosed during the financial year ended 31st December 2022.

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.