

MERCUREIM EF1
MANAGEMENT
NOTE
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MIMCO
Capital



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MERCUREIM EF1

As a reminder, the Mercureim EF1 fund closed on 31/01/2019 with more than 42 Million euros of equity. Following the great success with investors, the fund closed more than 6 months ahead of schedule.

The investment period was closed on 31/12/2019.



EDITORIAL

Dear shareholders, dear partners,

In a health and economic context influenced by the Covid-19 epidemic, we continued to observe a non-significant impact on our assets located in Germany.

Following a government decision, the regulations relating to the rights of tenants who have an activity and are forced to cease it as part of government announcements were modified, giving them the possibility of not paying up to 50% of their rents. Under these conditions, in December 2020, we entered into negotiations to recover unpaid rent, either by recovering the unpaid amount smoothed over several months or by signing a lease renewal for a firm period.

Your fund lightened its portfolio during the last quarter of 2020 with the sale of the asset located in Oberhausen for an amount of EUR 3.200.000,00. This sale was disintegrated for accounting purposes in the 4th quarter.

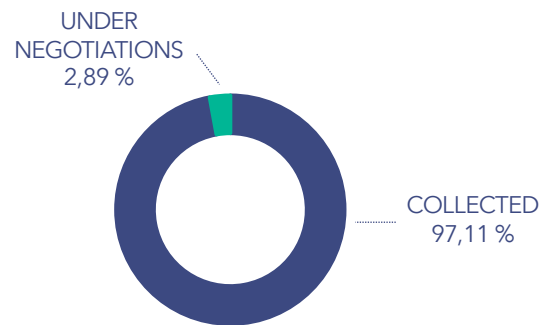
We would like to assure you that all the MIMCO Capital teams remain mobilized for the continuation of the divestment operations of your fund.

MIMCO Capital
Management

COVID-19 IMPACT ON FUND ASSETS

In the second quarter of 2020, following the Covid-19 outbreak, negotiations were initiated with tenants to defer rent for the closing period. During the fourth quarter of 2020, a change in regulations concerning rents impacted by the Covid-19 epidemic required us to reassess the number of rents of our tenants who were forced to close their stores.

Since January 2020, more than 10.7 Million euros have been paid and approximately 319.000 euros have been cancelled or postponed on an amount of 11 Million euros of gross rents received by Mercureim EF1, which represents 2,89% of uncollected rents annually. Negotiations with tenants are underway to recover rent, either by smoothing payments over several months or by signing lease renewals over a firm period.



Valuation of the Mercureim EF1 portfolio as of 31/12/2020

102.620.000,00 €

Portfolio overview

As of December 31, 2020, the fund is diversified under two categories: "Core"* assets up to 78% and "Value-Added"** assets up to 22%.



*Core: Assets benefiting from stable cash flows with firm leases of more than 6 years. Low valuation potential.

**Value-Added: Assets with significant valuation potential.

MERCUREIM EF1

MERCUREIM EF1 FUND'S INSIGHTS

In October 2020, the fund completed the sale of the asset located in Oberhausen, about 30 km north of Düsseldorf, in North Rhine-Westphalia, the most populous and dynamic federal state in western Germany, thanks in part to the Ruhr region. This asset was sold to the Everest One S.C.A. SICAV-RAIF fund which is part of the MIMCO Capital group.

The 2.440 sqm building has been occupied since 2004 by Deutsche Bank at a total annual rent of EUR 236.752,00. excl. taxes and charges.

The sale of this real estate asset amounted to EUR 3.200.000,00, which was in line with our sale target.



Following this sale, the Mercureim EF1 fund owns 18 buildings and the number of tenants now stands at 251.

EVOLUTION OF ASSETS UNDER MANAGEMENT

o Schwerin

During the last quarter of 2020, several leases were signed, representing a total annual rent of EUR 48.750 excluding taxes and charges. In addition, a budget of EUR 71.450 has been allocated to maintenance and improvement works.



o Lübben

Improvement and maintenance works for an amount of EUR 280.000 took place on this asset.



Among other things, this made it possible to extend the lease with tenant Rewe until 2030.

o Moers



Two new leases were signed during the fourth quarter for the rental of two vacant offices, representing an area of 178 sqm.

o Wismar

A permit application has been submitted for the renovation of this building located in Wismar.



The entire MIMCO Capital team thanks you for your trust and is at your disposal for any information.

Please believe, Dear shareholders, Dear partners, in the expression of our best wishes.



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