



THE NET LEASE GROUP

Representative Photo



Flowers Foods
Enterprise, AL

A Net Lease Investment Opportunity
Confidential Offering Memorandum

CONFIDENTIALITY & RESTRICTED USE AGREEMENT

The information contained in this Offering Memorandum is confidential, furnished solely for the purpose of review by a prospective purchaser of the Flowers Foods facility located at 612 Glover Ave, Enterprise, AL 36330, (the "Property," or "Properties," or "Portfolio") and is not to be used for any other purpose or made available to any other person without the express written consent of The Net Lease Group, LLC. ("NLG"). The material is based in part upon information supplied by Owner and in part upon information obtained by The Net Lease Group from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all inclusive but rather only an outline of some of the provisions contained therein. No warranty or representation, expressed or implied, is made by Owner, The Net Lease Group, or any of their respective affiliates, as to the accuracy or completeness of the information contained herein or any other written or oral communication transmitted to a prospective purchaser in the course of its evaluation of the Portfolio. No legal liability is assumed or implied in connection with the information or such other communications. Without limiting the generality of the foregoing, the information shall not be deemed a representation of the state of affairs of any Property or constitute an indication that there has been no change in the business or affairs of any Property since the date of preparation of the information. Prospective purchasers should make their own projections and conclusions without reliance upon the materials contained herein and conduct their own independent due diligence, including engineering and environmental inspections, to determine the condition of any Property and the existence of any potentially hazardous material located at the site.

This Offering Memorandum was prepared by The Net Lease Group and has been reviewed by the Owner. It contains select information pertaining to each Property and does not purport to be all inclusive or to contain all of the information which a prospective purchaser may desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition and other factors beyond control and, therefore, are subject to material change or variation. An opportunity to inspect any Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents and other materials are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

This Offering Memorandum is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of any Property by The Net Lease Group or the Owner. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing any Property described herein.

Owner and The Net Lease Group expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice. Owner shall have no legal commitment or obligation to any interested party reviewing this Offering Memorandum or making an offer to purchase any Property unless a written agreement for the purchase of said Property has been fully executed and delivered by the Owner and such party and any conditions to Owner's obligations thereunder have been satisfied or waived and then only to the extent expressly provided for therein. The Net Lease Group is not authorized to make any representations or agreements on behalf of Owner.

This Offering Memorandum is the property of The Net Lease Group and may be used only by parties approved by The Net Lease Group and Owner. The Portfolio is privately offered and, by accepting delivery of this Offering Memorandum, the party in possession hereof agrees (i) to return it to The Net Lease Group immediately upon request of The Net Lease Group or Owner and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of The Net Lease Group and Owner.

The terms and conditions set forth above apply to this Offering Memorandum in its entirety.

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EXECUTIVE SUMMARY

THE OFFERING

PURCHASE PRICE: \$1,727,000

NOI: \$116,550

CAP RATE: 6.75%

The Net Lease Group exclusively offers for sale, the Flowers Foods bakery distribution center located at 612 Glover Avenue in Enterprise, AL. The offering consists of the fee simple interest in a freestanding +/- 6,500 square foot retail/distribution center on approximately 2.68 acres. The property is 100% leased to Flowers Baking Co. of Thomasville, LLC, a wholly owned subsidiary of Flowers Foods, Inc. (NYSE: FLO – S&P Credit Rating: BBB).

The offering provides prospective investors the opportunity to purchase an institutional quality asset, generating stable predictable cash flow, which increases throughout the term of the lease.

Flowers executed a Twelve (12) year double net (NN) lease, with two (2) five-year options to renew. Rent increases 6% during each period of the initial term and 2% annually during the renewal periods. The Lease Term commences five days following Substantial Completion, expected on, or about, December 20, 2020. Landlord has minimal responsibilities (roof, structure, and foundation) during the initial term and option periods.

Located in Coffee County, southeast of Montgomery, the subject property lies 1-mile northeast of Downtown Enterprise, along AL Hwy 248. Its strategic location along AL Hwy 248 allows Flowers Food's to service the baked good needs of its direct customers and the public throughout the region.



EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

» Long-Term Lease

Twelve (12) year NN lease, estimated to commence December 20, 2020.

» Rent Escalations

6% rent escalations during the primary term.
2% rent escalations annually during the option periods.

» Minimal Landlord Responsibilities

Double net (NN) lease. Minimal Landlord responsibilities (roof, structure, and foundation). Tenant pays real estate taxes, insurance, repairs and maintenance, per the Lease.

» New Build-to-Suit Construction

Newly constructed build-to-suit facility to strategically meet the needs of Flowers Foods with new roof & building warranties.

» Investment Grade Company

Flowers Baking Co of Thomasville, LLC is a wholly owned subsidiary of Flowers Foods, Inc. (NYSE: FLO). Flowers Foods has been in business for over 100 years and operates 47 modern bakeries and over 950 distribution facilities across the country. Flowers Foods, Inc. carries an investment grade credit rating of “BBB” per Standard & Poors (S&P).

FINANCIAL OVERVIEW

INVESTMENT SUMMARY

| | |
|---------------------|-------------------|
| Price | \$1,727,000 |
| Cap Rate | 6.75% |
| Year 1 NOI | \$116,550 |
| Address | 612 Glover Avenue |
| City | Enterprise |
| State | Alabama |
| Year Built | 2020 |
| Square Feet | 6,552 |
| Acres | 2.68 |
| Daily Traffic Count | 7,879 |

LEASE SUMMARY

| | |
|-------------------------------|---|
| Tenant | Flowers Baking Co. of Thomasville, LLC. |
| Term | 12 Years |
| Lease Execution | 1/22/2020 |
| Rent Commencement (est) | 12/20/2020 |
| Lease Expiration (est) | 12/31/2032 |
| Year 1 NOI | \$116,550 |
| Rent Escalations (Per Period) | 6.00% |
| Options (annually) | 2.00% |
| Lease Structure | Double Net (NN) |
| LL Responsibilities | Roof, Structure, and Foundation |
| Renewal Options | Two (2), Five-Year |



Lease Summary

Flowers Baking Co. of Thomasville, LLC, a wholly owned subsidiary of Flowers Foods, Inc (NYSE: FLO), executed a new twelve (12) year lease with two (2) five-year options to renew.

The double net (NN) lease requires the Tenant to directly pay real estate taxes, property repair and maintenance and insurance. The Landlord retains financial responsibility for roof, structure, and foundation.

The Tenant pays initial annual rent equal to \$116,550 with rent escalations every five lease years during the initial term and 2% annually during the option periods.

| | Rent Schedule | Unlevered Return |
|---------------------------|---------------|------------------|
| Period 1 NOI (Year 1-5) | \$116,550 | 6.75% |
| Period 2 NOI (Year 6-10) | \$123,543 | 7.15% |
| Period 3 NOI (Year 11-12) | \$130,956 | 7.58% |
| Option Year 1 | \$133,575 | 7.73% |
| Option Year 2 | \$136,246 | 7.89% |
| Option Year 3 | \$138,971 | 8.05% |
| Option Year 4 | \$141,751 | 8.21% |
| Option Year 5 | \$144,586 | 8.37% |
| Option Year 6 | \$147,477 | 8.54% |
| Option Year 7 | \$150,427 | 8.71% |
| Option Year 8 | \$153,435 | 8.88% |
| Option Year 9 | \$156,504 | 9.06% |
| Option Year 10 | \$159,634 | 9.24% |



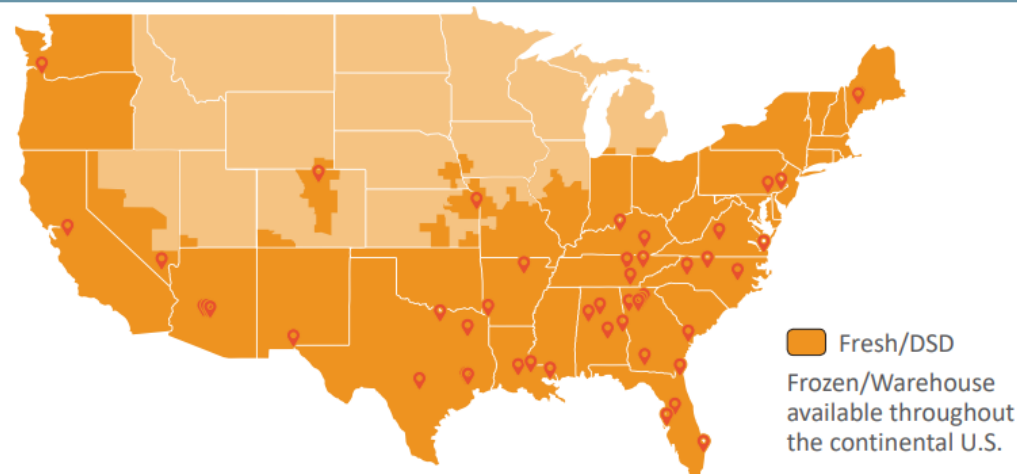
Tenant Summary

The Tenant, Flowers Baking Co. of Thomasville, LLC, a wholly owned subsidiary of Flowers Foods Inc. (NYSE: FLO) (No Parent Guarantee), operates over 100 Flowers distribution facilities in the Southeast.

Headquartered in Thomasville, Georgia Flowers Foods, Inc. is the nation's second largest producer and supplier of baked goods, serving over 85% of the U.S. population. In fiscal year 2017, Flowers Foods, Inc. generated sales of \$3.9 billion. Flowers Foods, Inc. carries an S&P/ Moody's credit rating of (BBB/Baa2) with a stable outlook.

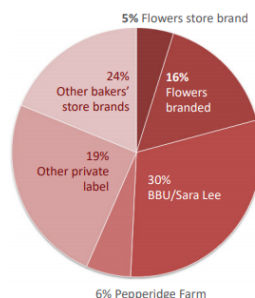
Since 1919, every Flowers baking company has been structured as a wholly owned subsidiary of Flowers Foods, Inc. Subsidiary operating results consolidate to Flowers Foods Inc. for public reporting purposes. In its nearly 100 years of operations, neither Flowers Foods Inc. nor one of its operating subsidiaries has filed for bankruptcy or missed a rent payment.

47 BAKERIES & FRESH/FROZEN DISTRIBUTION



BRAND STRENGTH

BRAND SHARE, TOTAL U.S.
 Breads, Buns, Rolls



IRI Flowers Custom Database Total US MultiOutlet + Convenience.
 Flowers Private Label Sales SDW. Chart data should not be used for historical comparison because of changes in geographic definition.

| | |
|--|---|
| <p>America's best-selling bread. Nature's Own fresh breads and buns have no artificial preservatives, colors, or flavors and no high fructose corn syrup.</p> | <p>The #1 organic bread brand in the U.S., Dave's Killer Bread is powerfully different. Packed with protein, fiber, and whole grains with no artificial anything. Non-GMO and certified organic – it will rock your world.</p> |
| <p>Hot dog, hamburger, or sandwich, Wonder Bread is the way to go. Instill a little wonder in whatever you're eating!</p> | <p>Tastykake – one taste and you'll know why it's been a favorite of many for more than 100 years.</p> |
| <p>Cobblestone Bread Co. bakes specialty breads and rolls crafted with care and little extras – like corn dusting, toasted onion, and sesame seeds.</p> | <p>Putting a smile on people's faces for nearly 20 years, Mrs. Freshley's wide array of sweet treats are available in vending machines, convenience stores, and other retail outlets nationwide.</p> |

CATEGORY STRENGTH

\$28.6 billion retail sales*
 \$7.4 billion foodservice sales**

*IRI Custom Database – 52 weeks ending 12/30/18

**Technomic FY2018

(Numbers should not be used for historical comparison because of change in IRI data.)



- Across the grocery store segment, fresh bread and rolls is the **fourth-largest category**, in dollars, behind carbonated beverages, beer/ale/alcoholic cider, and salty snacks.***
- Bread is the No. 1 grocery category in weekly true profits.***
- 98.5% of households buy fresh packaged bread.***

***IRI Panel Data

***Willard Bishop Super Study



The newly constructed 6,552 SF Flowers Foods retail and distribution facility is located along Alabama Highway 248, also known as Glover Avenue, in Enterprise, Alabama. Approximately 30 miles from Dothan, and 85 miles from Montgomery, the 2.68 acre facility is able to provide essential baked goods for local residents. Prominent tenants near the subject property include Publix, Walmart, Chick-fil-A, and many more. Current 10 minute drivetime population is approximately 55,300 and growing. The area in and around the subject property has experienced consistent 1.7% YOY population growth since the turn of the century.

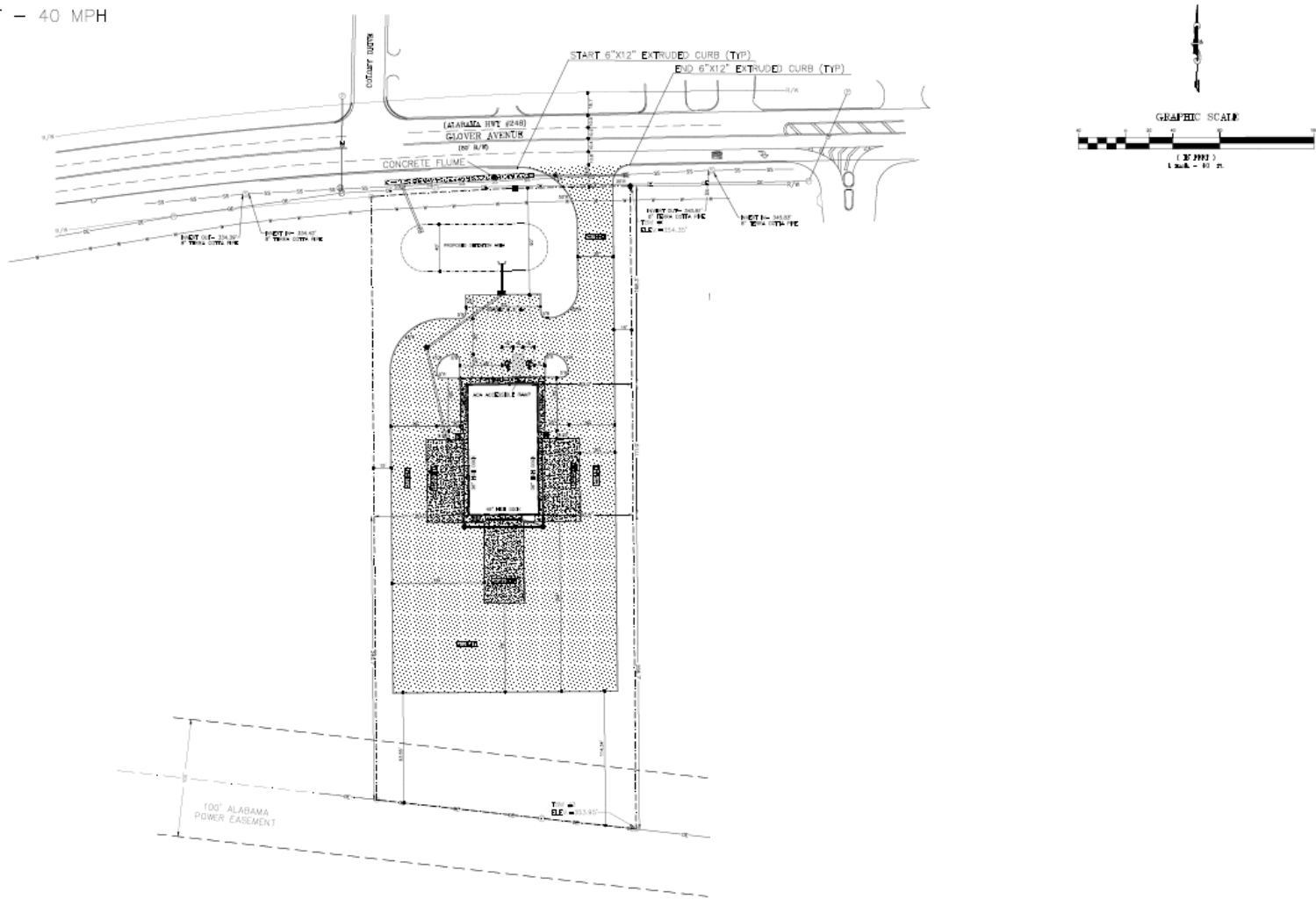
The Flowers Foods is outfitted with 12 total truck doors. 10 of the truck doors are used for Flowers Food's basic route truck and are approximately 5 ft wide by 8 ft high. The remaining two doors are used for Flowers Food's relay trucks and are approximately 8 ft wide by 10 ft high. The building has a clear height of 14 ft and is equipped with a truck well for two semi-trucks.



PROPERTY OVERVIEW

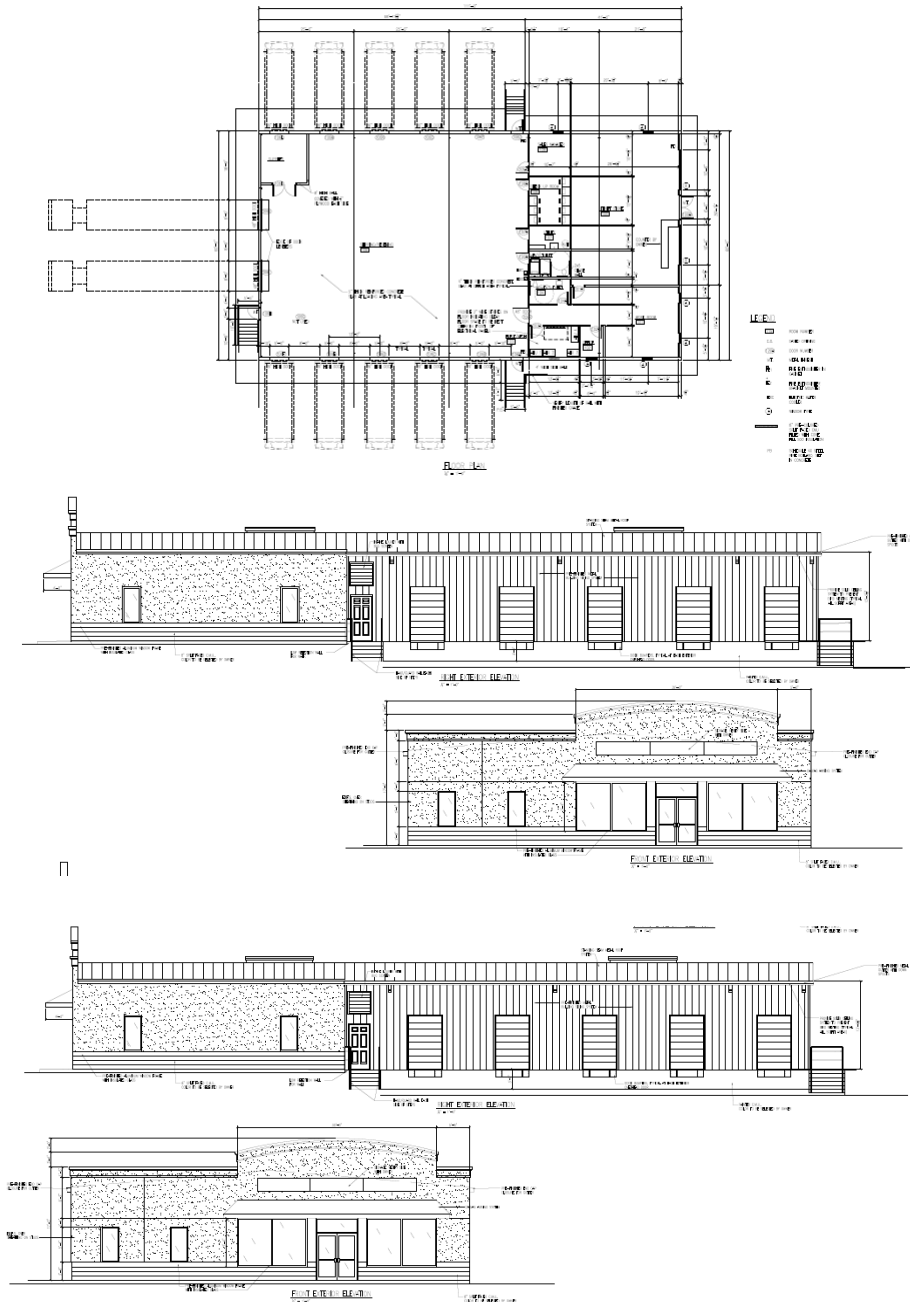
SITE PLAN

SPEED LIMIT - 40 MPH

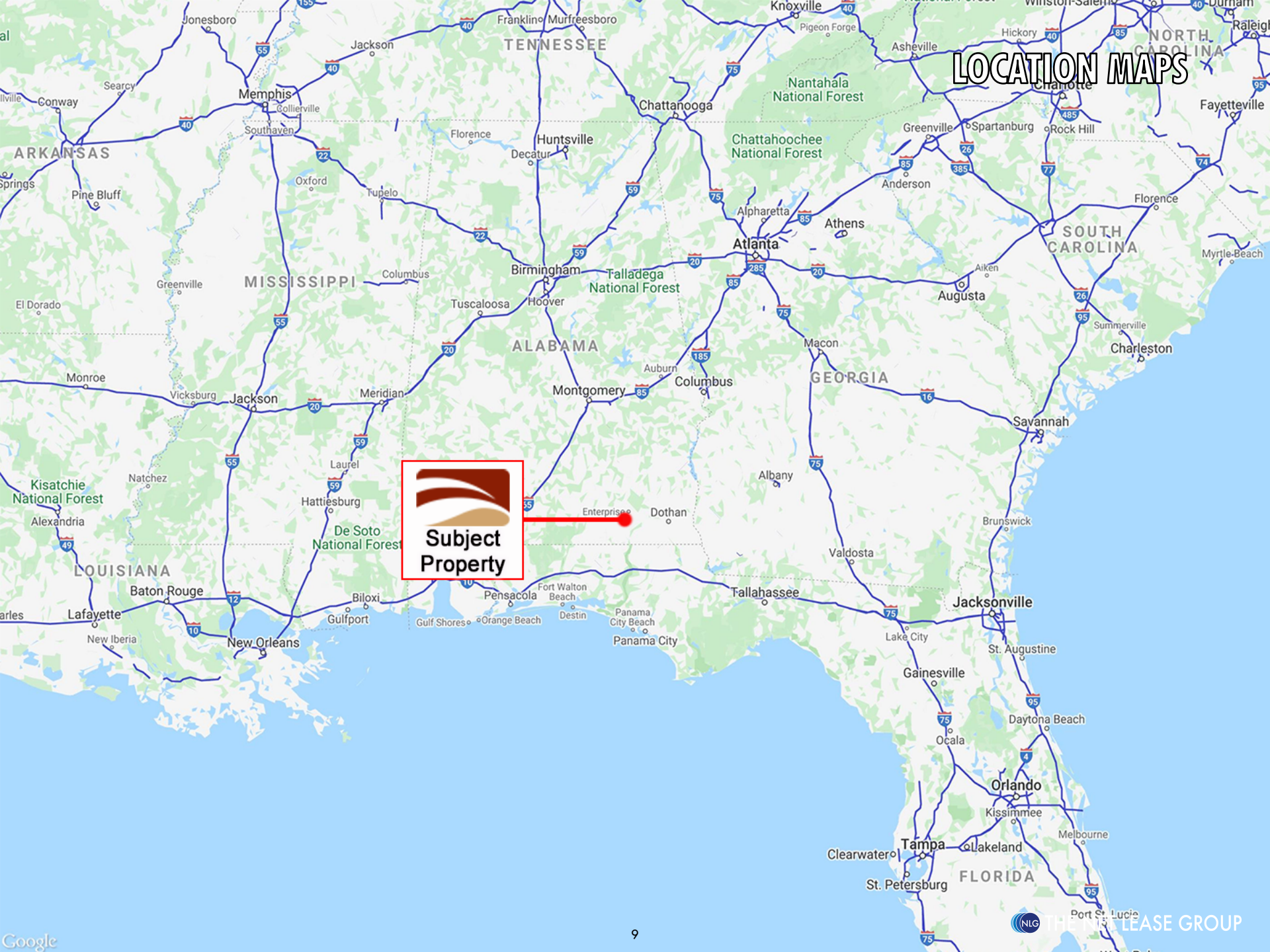


PROPERTY OVERVIEW

BUILDING ELEVATIONS



LOCATION MAPS




**Subject
Property**

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LOCATION MAPS

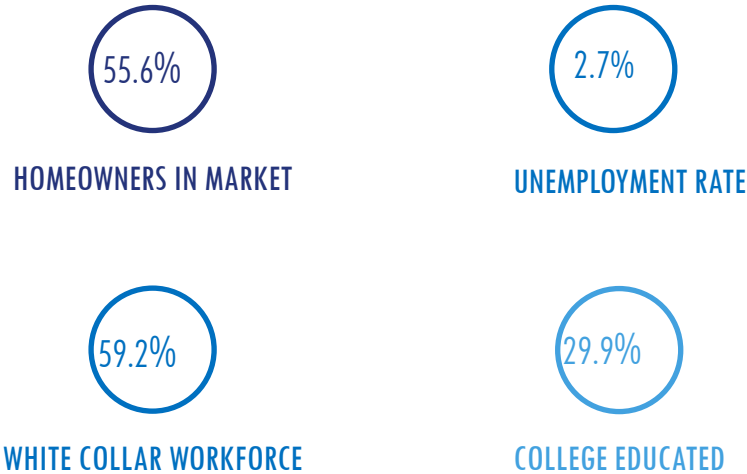




Enterprise, Alabama is located in Coffee County, in rural southeastern Alabama. Approximately 30 miles northwest of Dothan, 80 miles southeast of Montgomery, and 120 miles northeast of Pensacola, Enterprise has a population of 26,562 with positive YOY population growth. A resilient and strong people, the citizens of Enterprise have endured as one of Alabama’s most prominent peanut farming communities. Enterprise is the 4th largest producer of peanuts in the state of Alabama and has consistently remained as a leading peanut producer for over 100 years.

Enterprise consists of a strong blue-collar workforce with nearly 53% of its population employed in blue collar roles. The community has a strong housing market with approximately a 93.5% occupation rate. 60% of all housing within a 5 mile radius of the Subject Property are owner-occupied, which is approximately 9,000 housing units. Several town attractions include The Pea River Historical and Genealogical Society Library, which is a repository of historical documents, provides students with books, microfilm, newspaper files, and old photographs regarding the history of Enterprise.

Today, the broadened and diversified agricultural economy, local industry, and the presence of the Army Aviation Center at nearby Fort Rucker provide Enterprise with economic resilience and stability.



| | 3 Mile | 5 Mile |
|-------------------------|-----------|-----------|
| Population | 26,520 | 36,219 |
| Number of Households | 11,200 | 15,122 |
| Median Household Income | \$57,842 | \$61,381 |
| Median Home Value | \$159,807 | \$165,807 |
| Median Family Income | \$70,035 | \$73,477 |



Flowers Baking Co.

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