

ACTUAL LOCATION



ABSOLUTE NNN LEASE | ANNUAL RENT INCREASES | INVESTMENT GRADE
FRESENIUS MEDICAL CARE (HOME THERAPY CLINIC)
OWOSSO, MICHIGAN



**FRESENIUS
MEDICAL CARE**

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MARCUS & MILLICHAP AGENT FOR MORE DETAILS.



**FRESENIUS
MEDICAL CARE**

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ABSOLUTE NNN LEASE

SUPERIOR IN COMPARISON TO THE STANDARD
DOUBLE NET LEASE FROM FRESENIUS AND DAVITA

LEASE COMPARISON

FRESENIUS MEDICAL CARE
HOME THERAPY CLINIC
OWOSSO, MI

Marcus & Millichap

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STANDARD DIALYSIS CENTER LEASES VS. SUBJECT PROPERTY⁽¹⁾

	DaVita Dialysis Standard Lease	SUBJECT PROPERTY Fresenius Medical Care	Fresenius Medical Care Standard Lease
Primary Lease Term	15 Years	17 Years (Original 20-year term)	15 Years
Lease Type	Double Net (Landlord responsibilities include repairs to the roof and structure as well as replacement of the HVAC and parking lot)	Absolute NNN (No landlord maintenance responsibilities whatsoever)	Double Net (Landlord responsibilities include repairs to the roof and structure as well as replacement of the HVAC and parking lot)
Rent Increases	10% every 5-years	Annual CPI Increases (1% min, 2% max)	10% every 5-years, or 1.7% annually

SUBJECT PROPERTY LEASE HIGHLIGHTS⁽¹⁾

- ▶ Absolute NNN lease - Eliminates the risk during the primary term of the Lease of having to repair or replace the roof, structure, HVAC or the parking lot during the lease term
- ▶ 17 years remaining on original 20-year lease term - An additional two years of lease term over the standard Fresenius lease, which is typically 15 years
- ▶ Annual CPI rent escalations (1% floor, 2% maximum) - more immediate upside in rental income



(1) Lease Comparisons and cash flow projections are for informational purposes only and subject to change. Proforma returns contained herein do not take into consideration any unforeseen expenses, if any. Buyer must verify and conduct their own Due Diligence.

\$21.65B⁽¹⁾

FRESENIUS MEDICAL CARE GENERATED
\$18.03 BILLION IN REVENUE 2020⁽¹⁾

BBB

FRESENIUS MEDICAL CARE HOLDINGS
INC. (LEASE GUARANTOR) HAS AN
INVESTMENT GRADE “BBB” CREDIT
RATING FROM S&P

\$13.59B⁽¹⁾

FRESENIUS MEDICAL CARE HAS A TOTAL
NET WORTH OF \$13.59 BILLION FOR 2020

TENANT OVERVIEW

FRESENIUS MEDICAL CARE
HOME THERAPY CLINIC
OWOSSO, MI

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(1) As of Q32020. All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the U.S. entity, Fresenius Medical Care Holdings, Inc.

COMPANY OVERVIEW⁽¹⁾



CREATING A FUTURE WORTH LIVING FOR PATIENTS WORLDWIDE

Fresenius Medical Care is the world’s leading provider of products and services for people with chronic kidney failure. Around 3.5 Million patients with this disease worldwide regularly undergo dialysis treatment. Dialysis is a vital blood cleansing procedure that substitutes the function of the kidney in case of kidney failure. Fresenius Medical Care offers products and services along the entire dialysis value chain from a single source. We care for more than 346,500 patients in our global network of more than 4,092 dialysis clinics. At the same time, we operate 44 production sites on all continents, to provide dialysis products such as dialysis machines, dialyzers and related disposables. Fresenius Medical Care has more than 125,364 employees in around 50 countries. Our strategy is geared toward sustainable growth. We aim to continuously improve the quality of life of patients with kidney disease by offering innovative products and treatment concepts of the highest quality. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and the New York Stock Exchange (FMS).

- ▶ \$21.65 BILLION IN REVENUE / \$13.59 BILLION NET WORTH (2020)
- ▶ FRESENIUS MEDICAL CARE PERFORMED APPROXIMATELY 51 MILLION DIALYSIS TREATMENTS IN 2020
- ▶ INVESTMENT GRADE TENANT - S&P RATED BBB/STABLE & MOODY’S RATED BAA3/STABLE⁽²⁾
- ▶ AVERAGE ANNUAL GROWTH OF 15% OVER THE LAST 20 YEARS
- ▶ FRESENIUS MEDICAL CARE EMPLOYS MORE THAN 125,000 PEOPLE, INCLUDING OVER 67,000 IN NORTH AMERICA
- ▶ FRESENIUS MEDICAL CARE SERVES 346,500 PATIENTS IN MORE THAN 50 COUNTRIES ACROSS 4,000 CLINICS
- ▶ EVERY 0.6 SECONDS A DIALYSIS TREATMENT IS PERFORMED BY FRESENIUS MEDICAL CARE

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Sources: www.freseniusmedicalcare.com, Yahoo Finance, Standard & Poor’s, Moody’s.
(2) S&P Credit Rating is for Fresenius Medical Care Holdings, Inc., the Lease Guarantor.

FRESENIUS AT A GLANCE⁽¹⁾



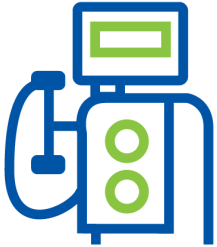
4,092
DIALYSIS
CENTERS



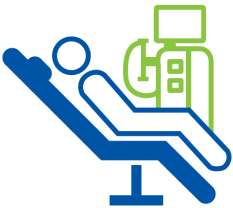
125,364
EMPLOYEES
WORLDWIDE



3.5 MILLION
PATIENTS UNDERGO
DIALYSIS TREATMENT



135,000
HEMODIALYSIS
MACHINES



346,500
PATIENTS
SERVED



52 MILLION
TREATMENTS
PER YEAR



350
RESEARCH
SITES



44
PRODUCTION
SITES

“We are the only company in our industry bringing together our expertise in patient care with the development of industry-leading technologies, products and services. We take great pride in the superior care we give to our patients and the best-in-class service we provide to our customers.”



BILL VALLE
CEO
Fresenius Medical Care
North America

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Sources: www.freseniusmedicalcare.com, Yahoo Finance, Standard & Poor’s, Moody’s.

ANNUAL RENT INCREASES

1-2% ANNUAL INCREASES
(BASED ON CPI)

INVESTMENT OVERVIEW

FRESENIUS MEDICAL CARE
HOME THERAPY CLINIC
OWOSSO, MI

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INVESTMENT OVERVIEW⁽¹⁾

RARE 20-YEAR ORIGINAL LEASE TERM WITH ANNUAL CPI INCREASES

20-year (17-years remaining) Absolute NNN lease with annual CPI rent increases (1% floor, 2% max). There are an additional three, 5-Year Renewal Option Periods.

ABSOLUTE NNN LEASE

Unlike the standard dialysis center leases with significant Landlord responsibilities (such as roof, structure, parking lot and HVAC replacement), the Subject Property has an absolute NNN lease structure that provides an investor with a long-term, passive income stream with no landlord maintenance responsibilities whatsoever. (See Market Lease Comparison)

HOME THERAPY CLINIC LOCATION⁽²⁾

The property currently operates as a Fresenius Home Therapy clinic that serves and trains patients to dialyze in their own homes. Dialyzing at home provides the opportunity for the patient to dialyze more frequently, usually for shorter times, and with flexibility in scheduling. There is no set time they have to show up, which allows for a better quality of life because they can set their own schedule. Patients graduate from the program when the nurse feels they are capable of providing their own care.

WELL-ESTABLISHED LOCATION

The subject property has a 26-year operational history as a dialysis clinic at this location which now serves as a standalone home therapy clinic.

INVESTMENT GRADE LEASE GUARANTOR⁽¹⁾

Fresenius Medical Care Holdings, Inc., the Guarantor under the Lease, has been rated “BBB/Stable” by S&P and carries a rating of “Baa3/Stable” from Moody’s, which are both Investment Grade according to each agency’s credit rating scales.

FRESENIUS MEDICAL CARE CORPORATE LEASE⁽¹⁾

- Fresenius Medical Care reported \$21.65 Billion in revenue and a net worth of \$13.59 Billion (2020)
- Fresenius Medical Care is the world’s largest provider of products and services for individuals with renal diseases of which approximately 3.5 Million patients worldwide regularly undergo dialysis treatment
- Fresenius Medical Care performed 51 Million dialysis treatments in 2020
- Every 0.6 seconds Fresenius Medical Care provides a dialysis treatment (2020)
- Fresenius Medical Care serves 346,500 patients in more than 50 countries across 4,092 clinics

(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. The lease guarantor is Fresenius Medical Care Holdings, Inc. which has been rated “BBB/Stable” by S&P and carries a rating of “Baa3/Stable” from Moody’s (Investment Grade according to each agency’s credit rating scales). This information must be verified by Buyer. Source: www.standardandpoors.com, www.moodys.com, www.freseniusmedicalcare.com, and Yahoo Finance.
(2) Source: Fresenius Medical Care

FRESENIUS MEDICAL CARE ACHIEVES 2020 TARGETS, GROWTH IN HOME DIALYSIS CONTINUED

February 23, 2021 | Fresenius Medical Care Press Release

- 2020 financial targets achieved: 5% revenue and 12% net income growth
- Growth in home dialysis on track

In 2020, Fresenius Medical Care provided more than 14% of its dialysis treatments in the U.S. in a home setting. This implies a 14% increase in the number of home treatments compared to the previous year, with home hemodialysis growing at 37%.

For the most current financial results please click on the following link to the company website: <https://factsandfigures.fmc-ag.com>



ACTUAL LOCATION

OFFERING HIGHLIGHTS

FRESENIUS MEDICAL CARE

918 CORUNNA AVENUE, OWOSSO, MI



FRESENIUS
MEDICAL CARE

OFFERING PRICE

\$1,816,526

CAP RATE

5.25%

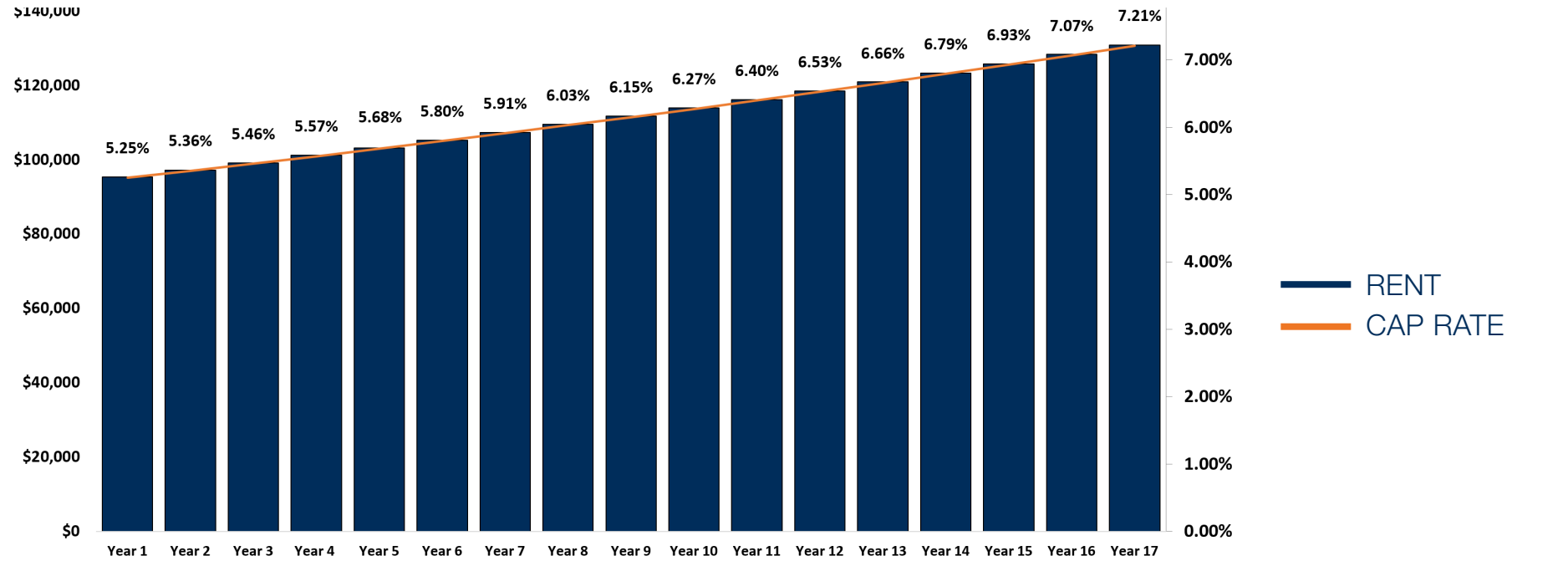
AVERAGE CASH-ON-CASH YEARS 1-10

6.42%

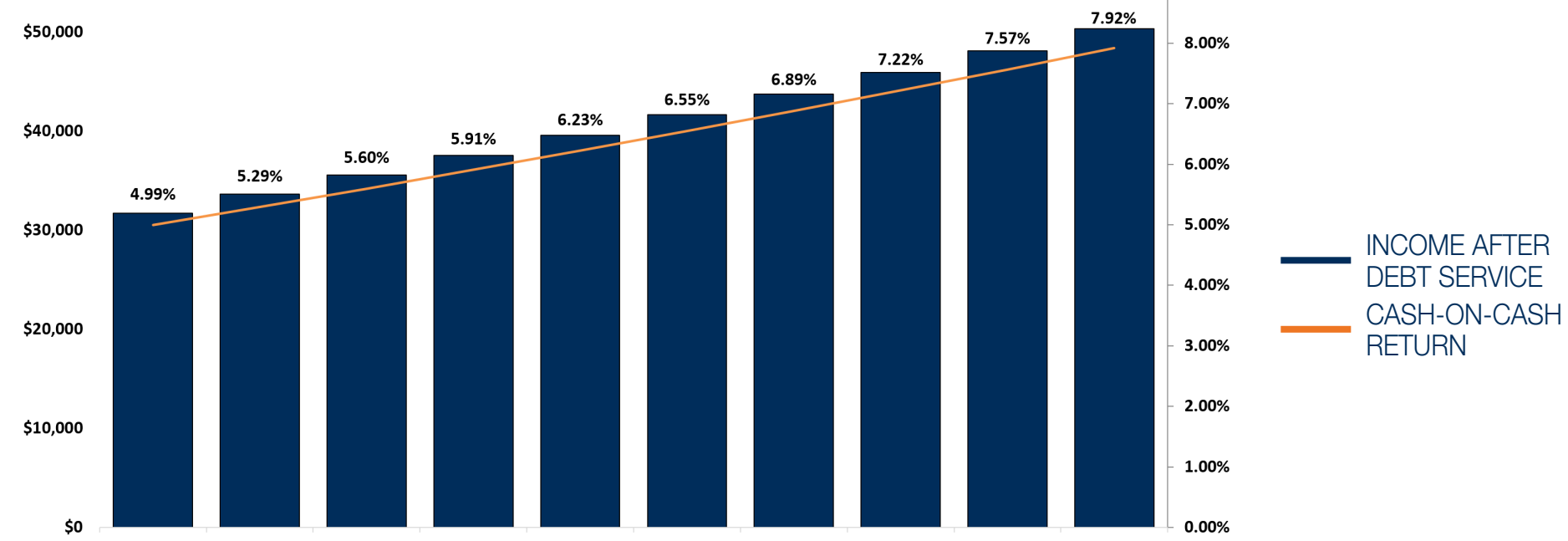
Lease Overview ⁽¹⁾		Potential Loan Scenario ⁽³⁾	
Net Operating Income	\$95,368	Program	10-Yr Fixed Rate
Lease Type	Absolute NNN	Interest Rate	3.50% - 3.75%
Lease Commencement	12/28/2017	Down Payment	\$635,784
Lease Expiration Date	12/31/2037	LTV	65% - 70%
Year Built / Renovated	1972 / 2020 ⁽¹⁾	Amortization	30 Years
Rentable Area	5,074 SF ⁽¹⁾	10-Year Average Cash-on-Cash Return ^(2,3)	6.42%
Lot Size	0.63 Acres ⁽¹⁾	<i>For questions on financing contact Farhan Kabani:</i> Farhan Kabani Mark One Capital 972.755.5301 direct 214.636.2595 mobile 888.317.1845 myfax Farhan.Kabani@markonecapital.com	
Increases	Annual CPI Increases (1% Floor, 2% Max)		
Options	(3) Five-Year Options		
Tenant	Bio-Medical Applications of Michigan, Inc. ⁽¹⁾		
Guarantor	Fresenius Medical Care Holdings, Inc. ⁽¹⁾		

(1) Year Built, Rentable Area, Lot Size, Lease Terms, Tenant and Lease Guarantor are approximate. Buyer will need to verify the accuracy of all information shown above during their Due Diligence period.
(2) Potential Cash Flow chart assumes a 10-Year Fixed Interest Rate program with a 10-Year Maturity along with 2% annual rent increases. Lease includes annual CPI increases (1% floor, 2% max).
(3) Pro forma returns are based on gross annual rent only and not guaranteed. Pro forma returns do not take into consideration any unforeseen market conditions that could negatively impact the Subject Property. Buyer must conduct their own due diligence to confirm the accuracy of these estimates. Financing options shown are subject to market changes.

POTENTIAL CAP RATE GROWTH^(2,3)



POTENTIAL CASH-ON-CASH^(2,3)



GREATER LANSING & FLINT MSA LOCATION

OWOSSO IS LOCATED LOCATED 30 MINUTES NORTHEAST
OF LANSING AND 20 MINUTES WEST OF FLINT.

LOCATION/MARKET OVERVIEW

FRESENIUS MEDICAL CARE
HOME THERAPY CLINIC
OWOSSO, MI

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LOCATION OVERVIEW



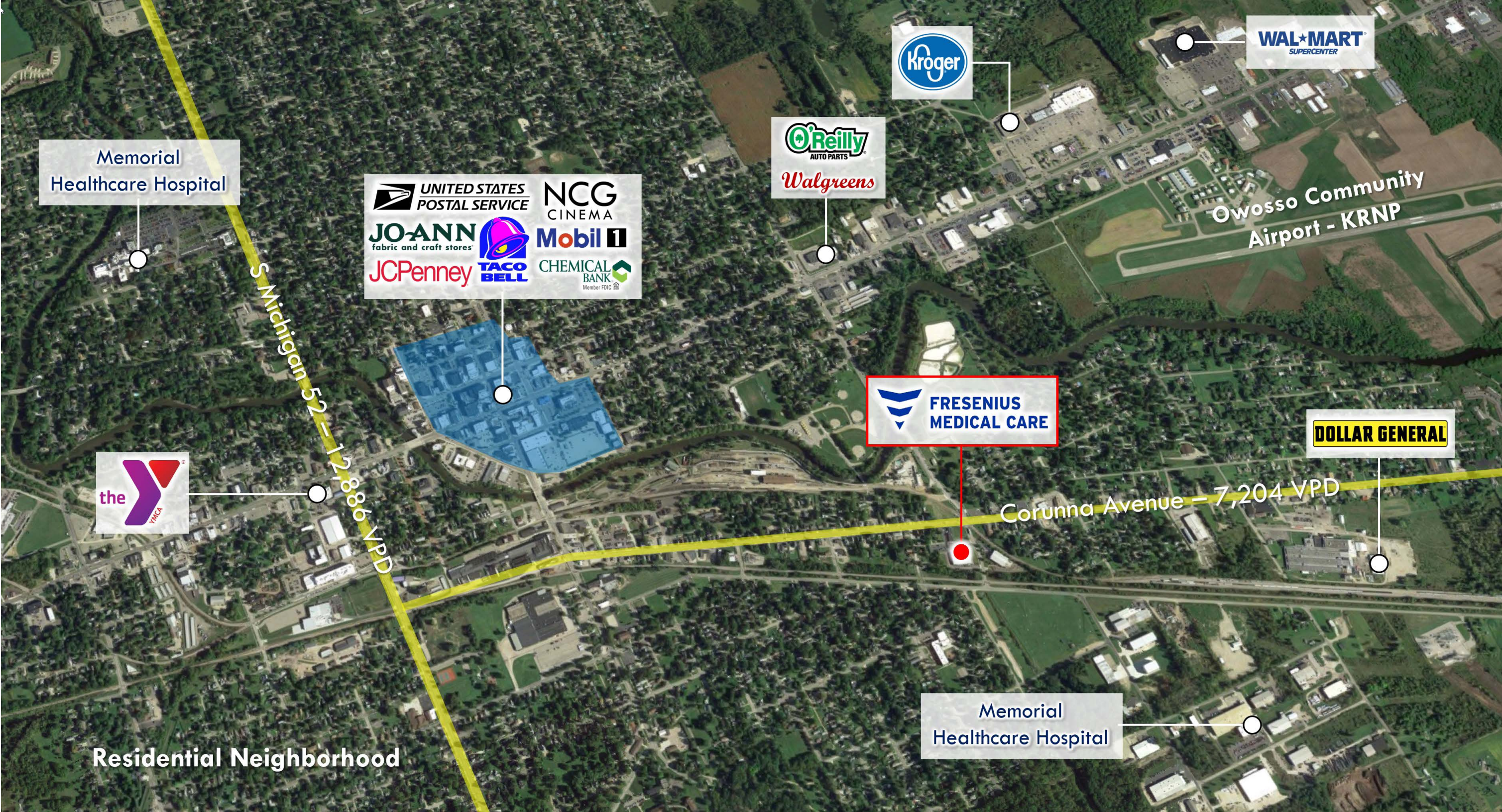
IN CLOSE PROXIMITY TO
MEMORIAL HEALTHCARE
HOSPITAL - A 161-BED FACILITY
WITH OVER 1,400 EMPLOYEES

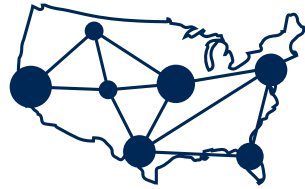
WELL-ESTABLISHED LOCATION
WITH 26-YEAR OPERATIONAL
HISTORY

OWOSSO SERVES A REGIONAL
POPULATION OF APPROXIMATELY
70,000 RESIDENTS AND IS PART
OF THE GREATER LANSING AND
FLINT METROPOLITAN AREAS

OWOSSO, LOCATED IN MID-
MICHIGAN, IS THE LARGEST CITY
IN SHIAWASSEE COUNTY

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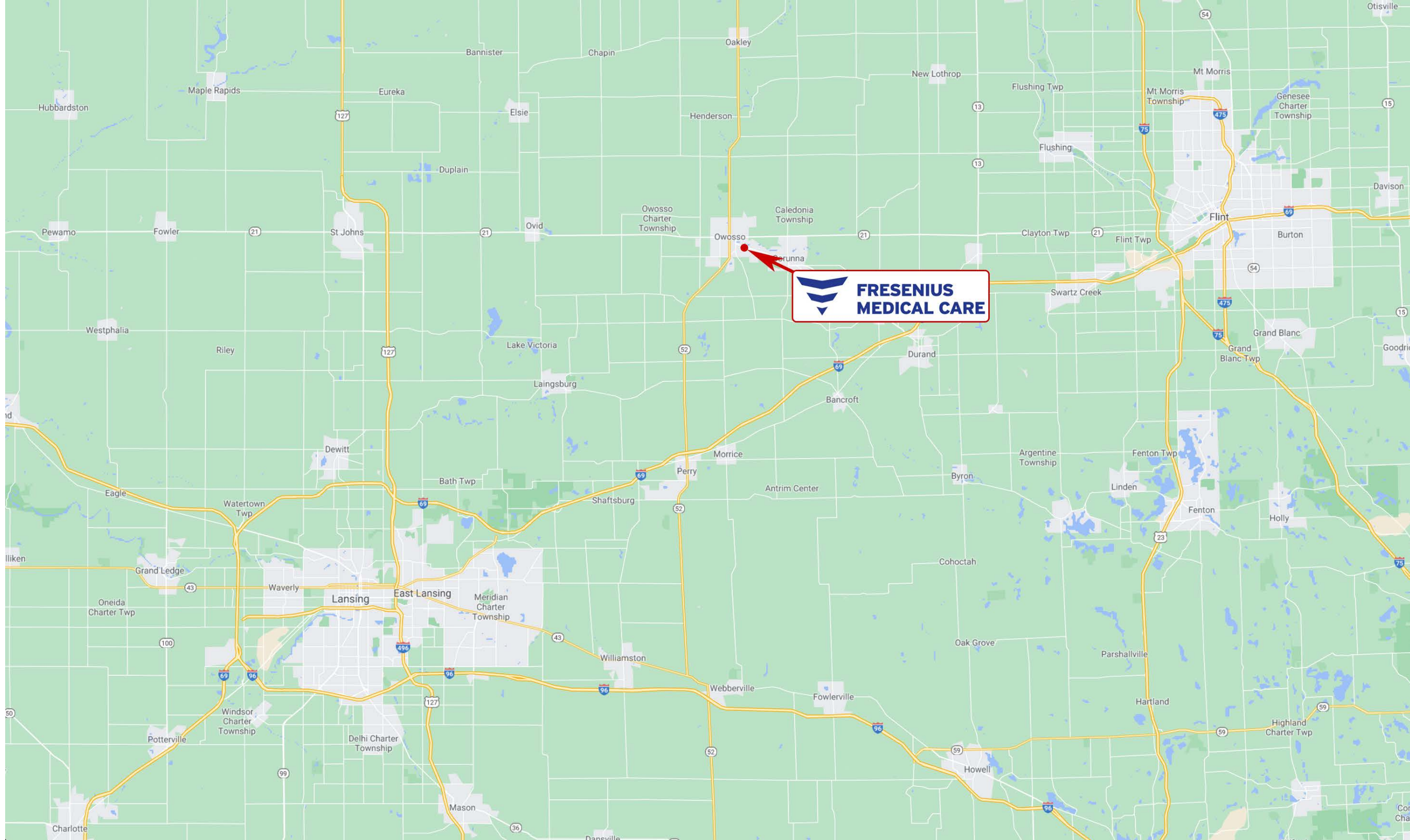
HOUSEHOLD INCOME

YEAR 2020	1 MILE	3 MILES	5 MILES
AVERAGE	\$47,415	\$59,496	\$61,473
MEDIAN	\$36,278	\$44,373	\$46,048

POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2025 Projection Total Population	6,179	24,398	27,747
2020 Census Total Population	6,191	24,574	27,971
2010 Census Total Population	6,275	24,983	28,494

Source: Marcus & Millichap Research Services, CoStar



OWOSSO, MICHIGAN

Owosso, Michigan is the largest city in Shiawassee County. It is located in mid-Michigan approximately thirty miles northeast of Lansing, Michigan - the state's capital, and 20 miles west of Flint.

Memorial Healthcare Hospital is situated approximately two miles northwest of the subject property. The regional hospital is a 161-bed facility serving the greater mid-Michigan region and a community of approximately 68,000. The hospital offers emergency and trauma services, robotic surgery, and a state-of-the-art neurology center. Recently, Memorial Healthcare announced a major expansion of the hospital that will include a community wellness center, orthopedic, rehabilitation and additions to the neurology department.

According to the National Kidney Foundation of Michigan (www.nkfm.org), there are almost 15,000 people on dialysis treatment in the state of Michigan. Additionally, as of April 1, 2020 there were more than 2,200 people on the kidney transplant waiting list.

The number of global patients requiring continuous renal replacement therapy is set to rise to 1.6 million by 2030. As of 2018, 550,000 people are receiving life-sustaining dialysis treatment.



MEMORIAL HEALTHCARE HOSPITAL
RENDERING OF RECENT EXPANSION

ACTUAL LOCATION



ABSOLUTE NNN LEASE | ANNUAL RENT INCREASES | INVESTMENT GRADE
FRESENIUS MEDICAL CARE (HOME THERAPY CLINIC)
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