



LOGISTIC INVESTMENT OPPORTUNITY

**SALE AND LEASE BACK
SOMOGYI ELEKTRONIC**

9027 GYŐR, GESZTENYEFA ÚT 3, HUNGARY

JLL have been exclusively mandated to market the logistic center of Somogyi Elektronik Kft. in Győr (the “Property”). The Property will be sold in a sale-and leaseback with a 15-year lease in the form of an SPV transaction.



SOMOGYI ELEKTRONIC®



15-year triple net income providing a rare bond-like investment opportunity

Strong covenant by one of the most successful Hungarian electronics wholesalers with 30+ yrs track record¹

Excellent location in an established industrial park in Győr with immediate access to 3 CEE capitals

Modern logistics facility developed in phases between 1992-2019 providing a total GLA of 9,974 sq m and 7,8-16,6 m clear height

Development potential on ca. 2,000 sq m area at the rear of the Property²

¹ Somogyi Electronic Zrt., Bisnode rating: 93 – Surpassingly stable company

² Subject to further investigation



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PROPERTY FACT SHEET

Address

Gesztenyefa út 3,
9027 Győr; HUNGARY

Plot nr.

5387/82

Plot size

23,131 sq m

Gross Lettable Area (GLA)

9,974 sq m

Office:

629 sq m

Warehouse:

8,646 sq m

Other³:

699 sq m

Parking

30

Annualized rental income:

confidential

Lease term

15 years (no break)

Development potential

on an area of 2,000 sq m (subject to further investigation)

³ Social, canteen, changing room...etc.





SOMOGYI ELEKTRONIC®

GYŐR

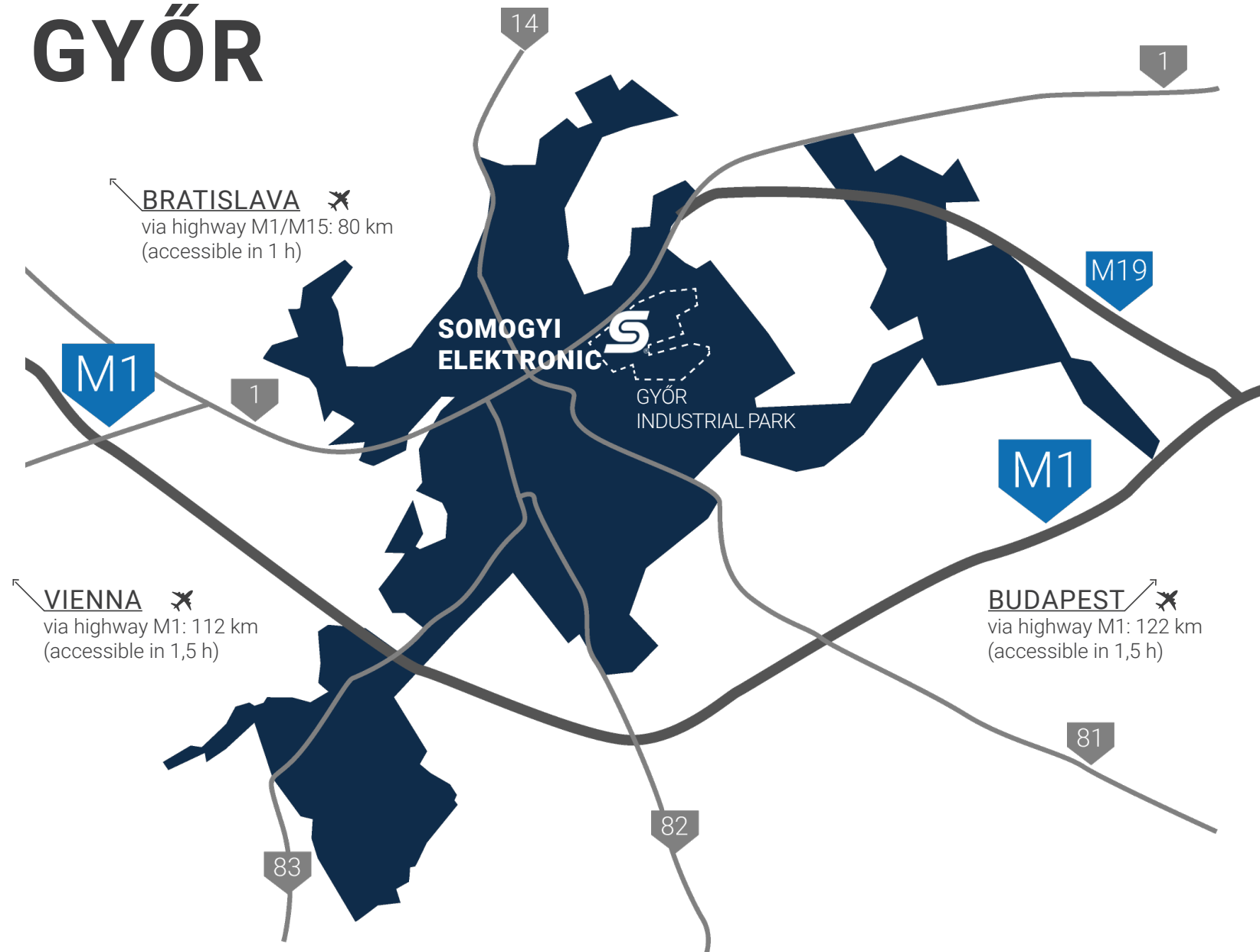
With a population of ca. 132,000 inhabitants Győr is the sixth largest city in Hungary and the largest settlement in the Western Transdanubia region. It is located halfway between Vienna and Budapest, very close to the Slovakian and Austrian borders. The city is located at a strategic location along the Rhine - main - Danube and the Orient-East Med transport corridors joining motorway, rail and the Danube waterway.

As the capital of Győr-Moson-Sopron county Győr is not only the administrative centre of the region but also a major economic, cultural, educational and sports hub in Western Hungary. Due to its strategic location in the so called „Golden Triangle” the city plays a vital role in the life of diverse industries flourishing on this centralized vehicular transportation network connecting Bratislava, Budapest and Vienna. The city's largest employer is by far Audi AG that operates one of their biggest engine manufacturing plants (producing almost 2 million engines every year) and assembly line in Europe.

Thanks to the strong local logistic and automotive sectors Győr (and eventually Győr-Moson-Sopron county) is now one of the most dynamically evolving areas of Hungary with a purchasing power parity ca. 36% above the national average.



GYŐR



MICROLOCATION AND ACCESS

The Property is located on Gesztenyefa Road 3., within the Industrial Park of Győr at the Eastern gate of the city. The park stretches over 210 ha and currently hosts more than 100 companies including Audi and Rába employing more than 7,000 people in total. The Property occupies a central position within the park with other logistic assets occupied by Nematik, Quehenberger, ThyssenKrupp and a 44 key hotel (WHB Hotel^{***}) in the immediate vicinity.

The Industrial Park has a direct railway connection which lies only 4 km away from the Property while the closest regional airport (Győr-Pér) and the Győr-Gönyű port lies 13 and 17 kilometres away respectively. The industrial park is served by local bus, the closest stop is only 130 m away from the Property.

The Property itself is directly accessible from the M1 highway in 6 minutes (distance: 5,6 km) via Road 81 while the city centre of Győr can be reached under 10 minutes (6 km). Parking is available on the street in front of the building and on the site.

⁴ For more information about the park please visit: <http://www.ipgyor.hu/en>



SOMOGYI ELEKTRONIC

Arguably Somogyi Elektronik Kft. ("Somogyi")⁵ is one of the most successful Hungarian wholesaling companies specialized in the commerce of consumer electronics products. Since its foundation in 1989 by Mr. and Mrs. Somogyi the company which is still 50% family owned has turned into a significant business supplying most of the big retail chains in Hungary and generating an annual turnover of EUR 21 million⁶.

⁵ Read more about Somogyi Elektronik:

<https://www.somogyi.hu/pages/interactive/somogyi-elektronic/>

<https://www.bet.hu/Kibocsatok/bet50/2018/vallalatok/reneszansz-vallalat---somogyi-elektronic-kft>

⁶in 2019



The company's products are manufactured in Asia under the private brands of Somogyi covering different consumer electronics subsegments:

- Home by Somogyi: household appliances
- Home by Somogyi Christmas lighting: garlands and decoration
- Home by Somogyi for Kids: light appliances for children
- SAL (Somogyi Audio Line): multimedia, sound systems





The imported goods are then stocked in Somogyi's central logistic facility in Győr which also functions as the head office of the Company. From Győr the products are distributed through an extensive network consisting of 3,500 retail and wholesale partners across Central Eastern Europe.

In Hungary Somogyi's products are available in most of the hardware stores and the Company is a strategic supplier of major retail chains and hypermarkets such as Media Markt, Euronics, Kika, OBI, Praktiker, Metro, Auchan, Bauhaus, Penny, Mömax, Extreme Digital...etc. Furthermore Somogyi has a fruitful e-commerce business line transacting retail sales from their own online marketplace (somogyi.hu).

EUR 21 million

annual turnover and
EUR 1.54 million pre-tax
profit⁷

Bisnode rating: 93

Surpassingly stable company

**5,500 km of extension
cord & 1,200 km of
garlands sold/yr⁸**

**3,500 wholesale and
retail partner across
CEE**

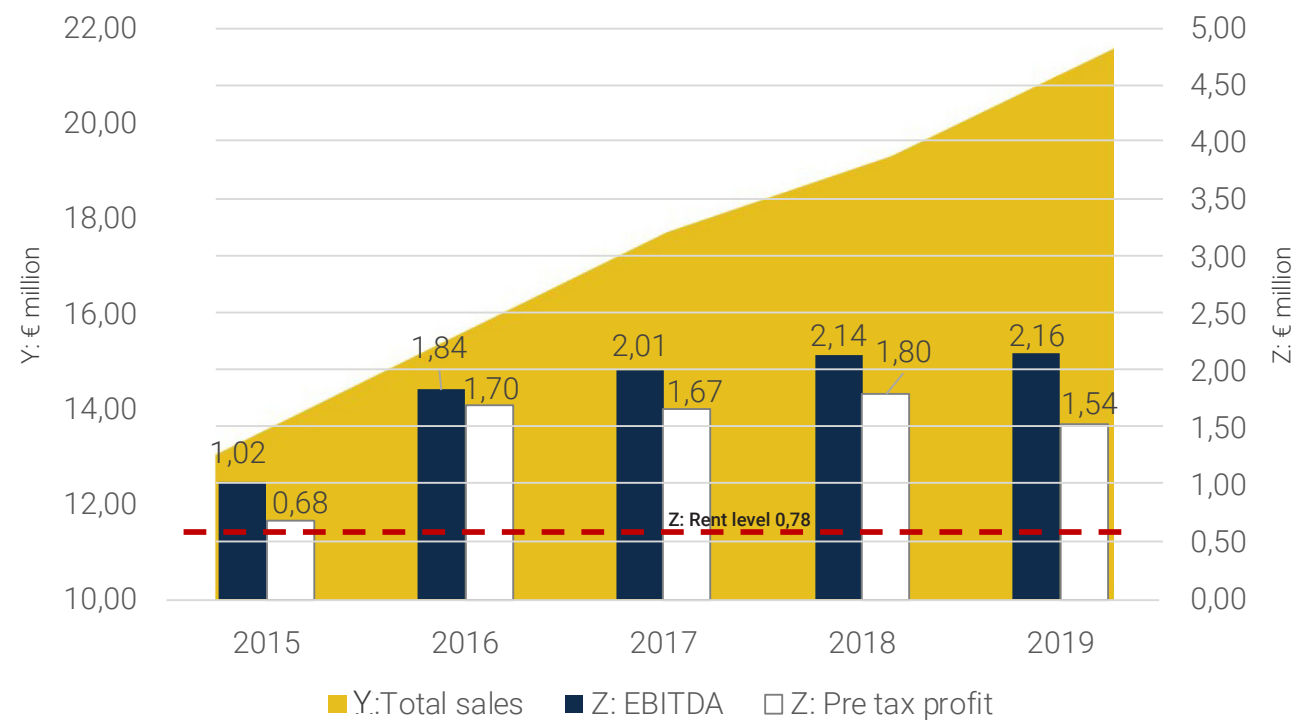
30+ yrs
Trackrecord

4 Brands

63% growth
in sales over 2015-2019

⁷ In 2019

⁸ In 2017



As of today, Somogyi employs 120 people. Beyond its Hungarian operation Somogyi has subsidiaries in Slovakia and Romania and exports goods to the Czech Republic and the former Yugoslavian states accounting for ca. 15-20% of its annual turnover. Since a successful reorganization in 2014 the company has gained solid momentum and between 2015-2019 increased its annual turnover by 63%. As of 2019 the annual revenue of the company exceeded HUF 7 billion (ca. EUR 21 million) and the pre-tax profit over HUF 500 million (ca. EUR 1.54 million).

The solid financial performance is recognized by the Company's credit rating currently standing at 93 on the 1-100 Bisnode scale qualifying Somogyi a "surpassingly stable company". This rate is given to only 5.17% of the Hungarian companies.

Somogyi Kft. is 50:50 controlled by a financial investor (WEL Holding Kft.) and the founding owners through Somogyi Holding Kft.



BUILDING DESCRIPTION

The fast and proper service of Somogyi is granted from their 9,800-pallet capacity warehouse, which meets the needs of the 21st century. The building has been developed in phases from 1992 to 2019 providing a total GLA of 9,974 sqm, 7,8-16,6 m clear height and 7 docking gates.

A unique feature is the high-rise storage facility where goods are stored on seven shelves above each other on a Ungheinrich shelving system with a maximum capacity of 1000kg/pallet. Product movement here is coordinated by an induction forklift system with 3 devices.

Thanks to the rigorous maintenance and regular refurbishment the building is in excellent technical condition. All the office space is equipped by suspended ceiling harbouring AC and fresh air utilities while the storage facilities are heated allowing commissioning all-year round. The entire warehouse is served by sprinkler.

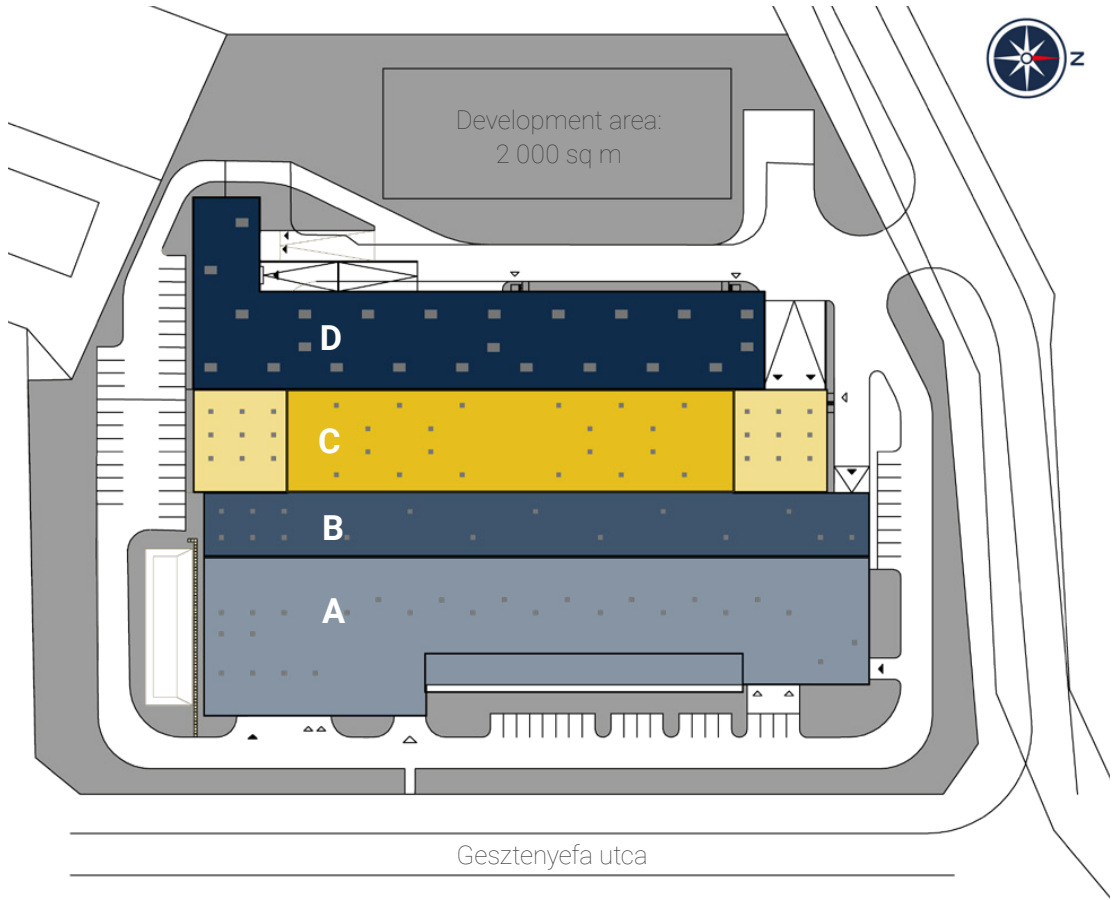
In 2019 the heating system has been modernized and new Bosch boilers were installed furthermore the industrial floor in section A has been completely replaced.

Phase	Function	Size (sq m)	Built in	Structure	Storage height (m)
A	Office & Other	1 300	2003	reinforced concrete	na.
	Warehouse	2 400	1992		7,8
B	Warehouse	1 500	2002	metal structure	8,1
C	Warehouse	2 500	2005	reinforced concrete	16,6
D	Warehouse	2 200	2019		8,1

As of today, the plot is not fully utilized and further development can be realized on a ca. 2,000 sq m area at the rear of the property. As per zoning this may be utilized up to 6,600 sq m of GBA subject to further investigation.

Zoning: Gipe10/S/70/20-/125/-30/60/

	Built in ratio	Green area	Building ratio	Building height
Zoning limit	70%	20%	1,0	12,5 m
Current status	41,4%	33,5%	0,425	na.



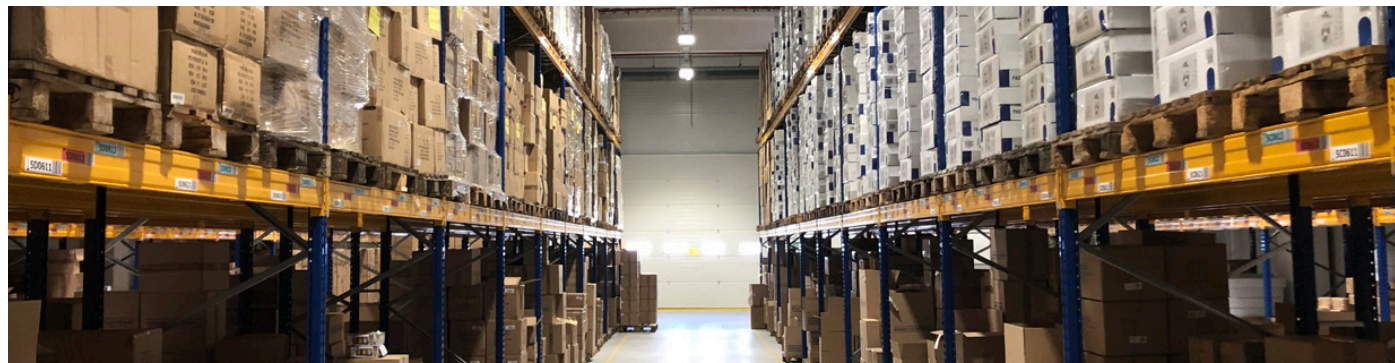
FINANCIALS

Simultaneously to the disposal, Somogyi will lease back the Property in the form of a 15-year lease agreement. The lease structure has been already implemented between Somogyi and the SPV holding the asset and will be prolonged effective of the closing of the transaction to grant an intact 180 months of lease length. Main terms of the lease are summarized below.

- Leased area / unit rent:
 - Office: 629 sq m / confidential
 - Warehouse: 8,646 sq m / confidential
 - Other: 699 sq m / confidential
 - Parking: 30 / confidential
 - External area / confidential

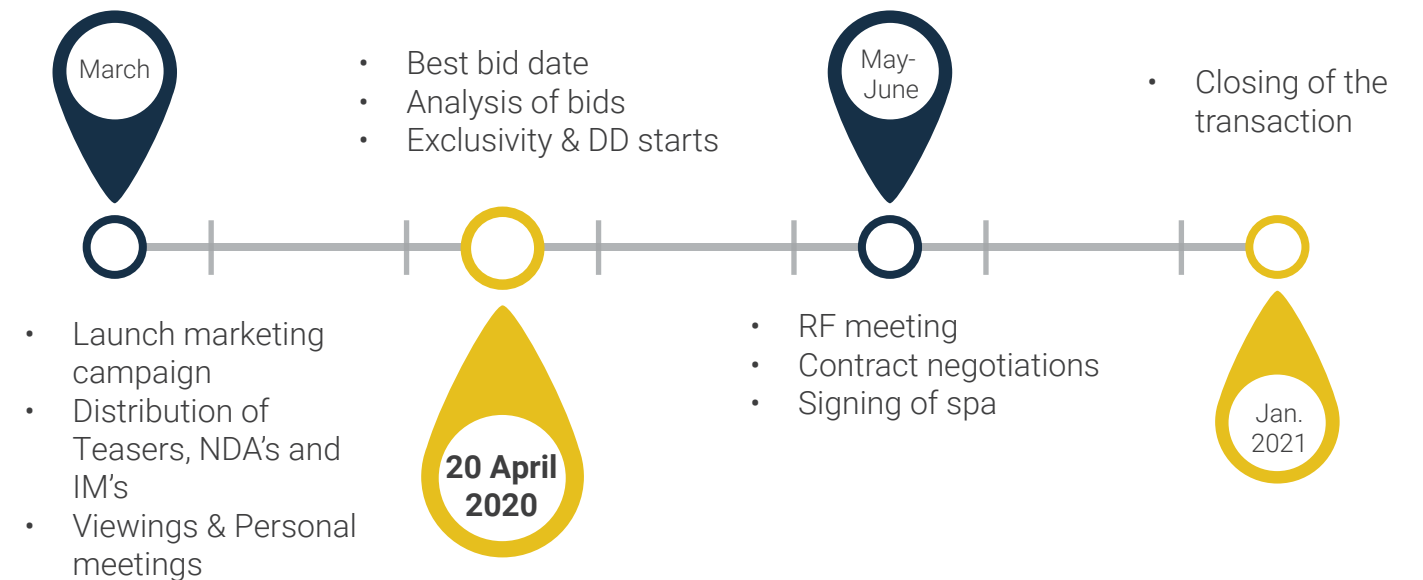
Lease term: 15 years

- Annual rent: confidential
- Maintenance, operational expenses: recoverable
- Security: confidential
- Indexation: annual revision based on HICP
- Tenant incentive: n/a



PROCESS & TIMING

The transaction will be structured in form of a share deal by disposing the quotas of the SPV holding the asset. Purpose of the ongoing process is to secure the transaction in line with the timeline set out below however due to administrative constraints at the sale side the financial closing cannot take place before January 1, 2021.



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DISCLAIMER

Acting on behalf of Somogyi Holding Kft. and WEL Holding Kft. controlling SING Real Estate Kft. who is the owner of the real property located under 9027 Győr, Gesztenyafa út 3 HUNGARY (the "property"), JLL has been authorised to distribute this investment teaser to potential purchasers of the Property (the "transaction"). This Investment Memorandum is aimed at prospective investors who have signed a confidentiality agreement with the vendor and the distribution thereof is governed by the terms of the confidentiality agreement. By accepting it, the recipient agrees to comply with the conditions set out below and the obligations in the confidentiality agreement. Furthermore, the information is being supplied to the recipient on the expressed understanding that it shall be used only to assess whether the recipient wishes to proceed with further investigation into the possible acquisition of the company. This Investment Teaser, together with any further information supplied, remains at all times the property of JLL and, upon request, the recipient is to return promptly all documents received in connection with this proposal without retaining any copies.

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